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City Men and City Manners.

THE CITY;

OR,

THE PHYSIOLOGY OF LONDON BUSINESS;

WITH

SKETCHES ON 'CHANGE,

AND AT THE COFFEE HOUSES.

LONDON:
GROOMBRIDGE & SONS, PATERNOSTER ROW.

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PREFACE.

An acquaintance with City Men and City Manners in these days of utilitarian progress is considered almost indispensable. Whatever grade or class we move in, we are sure some time or other to encounter circumstances which render a knowledge of the current of the great "business mass" desirable.

Since the former volume passed through the press, the railway mania has had its day and has become defunct. We are now on the eve of another change, which will in all probability be attended with consequences as serious, in some respects, as those incidental to that career of wild speculation.

California has opened its stores of riches on a scale promising to be outvied only by Australia. What effect this superabundant yield of gold may produce upon the commerce of the Old World and the New remains to be seen. Certain it is that it cannot fail to exercise a weighty influence in all channels of trade, when the resources of these auriferous regions shall have been thoroughly developed.

In the meanwhile, mercantile affairs and their tendency will be actively canvassed; the fund-holder and public annuitant will regard with anxiety the issue of the event, and every class, more or less interested, will direct attention to the governing causes of so important a transition in financial history.

Before the public, either in the character of student or philosopher, can enter into the wide field of investigation thus opened, it will be necessary to acquire information respecting the course of daily business in connection with monetary and commercial concerns. This information, it is believed, is to be found in the pages of the present work, which, combining it in the shape of instruction and amusement, has already become generally popular.

Having just undergone an entire revision, and a fresh chapter, showing the commencement and decline of the railway era, having been introduced, it is considered that in its new form, the CITY, OR THE PHYSIOLOGY OF LONDON BUSINESS, possesses claims to increased patronage.

LONDON, *December* 1851.

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CHAPTER I.

The City—City Life—The Power and Riches of England—The Banking Interest considered—The Bank of England—Meeting and Dividend—Management of the Public Debt—Change in the Charter—Competition with Private Banks—Contraction or Expansion of Issues—The Bank Parlour—Portraits of Cashiers—Abraham Newland—Bank Clerks' Salaries—Private Bankers—Failure of Private Banks—Progress of Joint-Stock Establishments—Comparison of Joint-Stock Bankers' Clerks with Private Bank Clerks—Salaries in Joint-Stock Establishments—Colonial Banks—Their Success in Business—Bill Discounting—The Chief Houses and Mode of Business—Second and Third Class Discounters—The Clearing House and its Functions.

THE City is a world within itself. Centered in the heart of the metropolis, with its innumerable capacities for commercial pursuits, it presents at first sight, to a stranger, a most mysterious and unfathomable labyrinth of lanes and alleys, streets and courts, thronged with a bustling multitude, whose various occupations, though uniting in one grand whole, seem to have no direct association with each other.

London, the emporium of the world, when viewed in connection with mercantile objects, can only be properly estimated by a knowledge of the character and manners of those who, forming the general mass of its traders, have assisted to establish the position thus obtained. The peculiarities of these people, who, in their business habits, are only brought together in small circles, weighty and important as their transactions must be, are not easily

discovered by the superficial observer, but require some acquaintance, and even connection with them, before anything of an outline can be given of the manner in which operations are conducted, or a description penned of the several resorts in which these are concluded.

Of the general fact that the chief aim of the City man,—whether banker, merchant, broker, or speculator,—is to raise and amass wealth, there is no doubt; for, in all walks of life, whenever conversation turns upon the subject, this appears to be well known and admitted; but as regards the way in which the several sections of this community shape and divide their course, to arrive at this result, there seems to be scarcely any information whatever. In the few sheets which are now given to the public, it is not professed to disclose the secret of the philosopher's stone, or to afford, by fixed rule and circumstance, a guide to the acquisition of inexhaustible riches, but what will be attempted is merely a rough history, the materials for which a few years' experience has placed at the disposal of the writer, and which, if not in every respect minute, will, at all events, give such an insight into City business, as to put the reader in possession of much information which he has not already obtained.

Few people, except those well acquainted with the purlieus of the spot brought within the compass of the region about to be described, would imagine that, within the confines of the Poultry, Cornhill, Threadneedle Street, Lombard Street, Lothbury, and Broad Street, the vast amount of the commerce of England may be said to be transacted, or that the dingy counting-houses discoverable everywhere in the nooks and corners of the intersecting thoroughfares, are occupied by our first merchants and traders, many of whom hold foreign governments as heavy and responsible creditors.

Many, of course, are aware that the stock markets are for bargains, in money securities—that 'Change is the great mart of the merchant—that Lloyd's is most particularly identified with the shipping interest—and that the Jerusalem and the North and South American Coffee Houses are places where traders and captains meet each other for the ordinary purposes of their respective vocations; yet, while this is the case, there exists, doubtlessly, a considerable majority who, if they have heard or known of the several establishments, with their occupants, have never gleaned information of the nature of their different customs and pursuits. If these sheets should be considered to have assisted in the dissemination of such information, the end of the Author will have been gained, and the height of his ambition accomplished.

Whatever may be said or thought of City life by those who are unacquainted with the nature of mercantile pursuits, the habits of activity induced by regular attention to business, and the success of enterprise connected with it, plainly demonstrate how poor in circumstances and how feeble in power would any nation be who discouraged a proper direction of commerce.

The metropolis, the pivot upon which the wealth of England turns and radiates to its several points of importance, is the scene of the motion of trade. The banker, and the merchant, and the various other agents that assist in this great movement, are the instruments working up the immense riches and power which we of the United Kingdom possess; and making every proper allowance for accessories furnished from external sources, the question only admits of one answer,—"What would have been the political importance of England in the scale of nations, had not her merchants steadily pursued a career of commerce?"

As far then as may be interesting, we propose to detail something concerning this class of persons, and the particular manner in which they associate in their city haunts. Of the importance of the banking interest, and the wealth of its members, the fact has been for centuries acknowledged; and regarding it, under such circumstances, with favour and affection, it is proposed to constitute it the first chapter of this little book.

The bankers of the present day are neither the Jews nor the goldsmiths who, by extortion, once crippled the resources of our country, and considered themselves the privileged phlebotomizers of royalty, so long as the apathy of the populace allowed their monarchs to revel in extravagance and debauchery. Thank Heaven, that era has passed! The present is one of commerce and fair profit, in which a return is expected for invested capital, on the equitable principle of reciprocity, should parties have the opportunity of assisting each other.

As it is first proposed to treat of bankers, we shall begin with the great national establishment—the Bank of England. This bank is governed by a court of twenty-four directors, eight of whom go out of office every year, when eight others are elected. Half-yearly dividends are declared, and the proprietors now receive 7 per cent. per annum on the stock. It is the most absolute corporation in the country; for although the proprietors meet twice a year to be informed of the state of their affairs, little or no information is gained beyond the amount of the "rest," or reserve fund, or the addition to, or decrease from, the "rest," after the dividend is satisfied. As a matter of favour, the Governor will sometimes give satisfactory answers on the condition of business at the branches, or on the increase of discount transactions; but these are concessions not always made with the best grace,

and the proprietors very frequently retire from the Bank parlour as much in ignorance of the real position of their affairs as when they entered. The majority, however, complacently submit to the will of the directors; and as long as a good dividend is continued, there is little fear of their activity interfering with the persuasive rule of the Court.

As the regulator of the currency, the powers of the Bank have been much curtailed by the alteration of the charter, which took place in 1844. The issue of paper, on securities, is not permitted to exceed £14,000,000, and a considerable reduction has been made in the allowance for the management of the public debt. It is very well known that the Bank authorities pay the dividends on the English securities; that is to say, Consols—Reduced—3¼ per cent. Annuities—and Long Annuities; and for this they are allowed a certain sum per annum.

By the late change, the Bank directors are supposed to have lost several sources of profit, and they have therefore opened new channels for the employment of their capital. Hence they have come into the open discount market, much to the annoyance of the private bankers and bill-brokers, as candidates for business at rates which it is impossible for their competitors to render more attractive for business; and a "neck and neck" race may be said to exist between the houses in Lombard Street and their great parent of Threadneedle Street, for that branch of money operations which the latter never before craved to possess.

It would be idle to particularise at any great length the system of business pursued at the Bank of England, or at banks in general. Indeed, it is so well known by those who have had the least insight into life, that it would be almost waste of space to do so. One or two facts may,

nevertheless, be mentioned in connection with the subject, and these are of an interesting character.

The Bank of England is generally admitted to conduct business on sound principles. Whether it be true or not that the measures pursued by the magnates of the Bank parlour under the old administration of affairs were calculated to affect the great good, or produce the great evil, contended by the various opponents or supporters of the system, still they received credit on the one hand, and blame on the other, according to the current of events. Now, they are fairly sheltered from the flattery of their friends, and secured from the sneers of their enemies; for since the issue department is clearly under government control, they cannot be supposed to exercise any undue influence on the circulation, either by means of contraction or expansion, the two great extremes for which they were either praised or condemned. The happy deliverance thus effected, must be a source of self-gratulation to the four-and-twenty gentlemen who now stand inside the bar of the parlour.

Speaking of the Bank parlour, as that is an apartment not accessible to every person who pays a visit to the Bank of England, we may here introduce a short description of its interior. This apartment is the place in which the directors consult in conclave on the business of the establishment, and where also the proprietors meet every half-year, not to receive an account of their affairs, but to hear the announcement of the dividend. It is a magnificent room, but rather meanly furnished with lengthy mahogany settles, covered with faded crimson merino; the walls are without the least decoration; and a bridge of tables, the deformities of which are hidden by green baize, alone separates the directors from the proprietors. A few scattered chairs is all the accommodation offered to the directors while

the meetings are in progress; but these are seldom or never filled, as they generally stand out the quarter of an hour or twenty minutes the proceeding lasts. The attendance of the directors under such circumstances would, without question, be considered a fatiguing process, did not the ear suddenly encounter the rattle of cups and saucers, and the eye discover a very spruce messenger, with white cravat and light pumps, gliding stealthily behind the screen from and to the room where the refreshment is served.

The lobby to the Bank parlour is the only place in the establishment at all indebted to art for attraction. Here there are a few of the old cashiers of the Bank, painted with remarkably grey wigs, lay down collars, and stiff lace ruffles, including that singular character Mr. Abraham Newland, who rose from a baker's counter to be chief clerk of the Bank of England. The directors, it is presumed, have discontinued the plan of panelling the memory of departed officers, for none to whom common report assigns part of the management of later years are visible.

The number of clerks employed in the Bank of England is about 800, and the salaries rise from £50 to nearly £2,000 a year. To reach a maximum salary, such as that last named, requires years of steady perseverance and great abilities for business. The posts immediately below those of the directors command these incomes, and do not, we imagine, extend beyond the head cashier's office or the secretary's department. The more general average of salary in the Bank of England ranges from £170 to £300 a year, and this may be rather over than under the mark, considering that, owing to the alteration of the charter and the separation of the issue from the deposit department, a number of additional hands were introduced, all at the low rate of salary.

A person can never take office as a Bank of England clerk till he is seventeen years of age, when his salary commences at £50 per year; and never after twenty-five years of age, when he is paid £100 per year. In the intermediate years up to the age of twenty-one, the salary increases at the rate of £10 per annum, but after that period the advance is restricted to £8 per annum. If a clerk enters between twenty-one and twenty-five, no difference is made in the scale of remuneration; he merely receives his £100 a year, the same as his junior in age, and gets no increase till after he has attained twenty-five. If he enters at eighteen years of age, however, he receives £60 a year; if at nineteen, £70 a year; and if at twenty, £80 a year.

The situations of Bank clerks are earnestly sought for, like all other official and mercantile employment; but it requires influence, as well as good security, to obtain them. The salaries at the Post-Office, the East India House, and the Docks are regulated much in the same manner; and the patronage of directors, or other friends associated with the concerns of the several establishments, is enlisted to get a berth in them.

The private bankers, in almost all cases, make it a rule not to accept any individual as clerk under twenty-one years of age, but place no restriction upon persons taking office above it. The first salary is £80 a year, and increases from promotion, by rotation, to £600 a year, which is well earned if ever obtained, for longevity is, under these circumstances, the chief ingredient of success. Most of the private bankers employ between forty and fifty clerks each, and the fair average of salary they receive is £200 a year. A post of confidence must be held before a maximum of £600 a year is gained; and not more than

two or three, if so many, of this character, exist in a firm, as to give a chance for general competition.

The chief cashiers, or those to whom the management of business may be deputed in the absence of the partners, are the persons who receive these salaries. In these cases, even a larger remuneration is paid by some banks; but then such individuals stand rather in the capacity of managers under the eye of the principals, than clerks in the usual acceptation of the term. The Bank of England, the private banks, and other establishments of a public character in the City, make provision, in the shape of pensions, for old and infirm servants, and not unfrequently assist their families when their decease takes place.

The private bankers of London number about sixty firms. The leading houses carrying on business in the midst of the City are at least thirty; the remainder prosecute their operations from Cheapside to the extremity of Charing Cross and Old Bond Street, westward. Of West-end bankers, there may be said to be thirteen or fourteen; the other establishments not carrying on business in the City being Smithfield banks, or country agencies with a small private town connection.

The first London private bankers were Sir Thomas Gresham and Sir Josiah Child; the oldest houses now in existence are believed to be those of Willis & Perceval, Hoare & Co., Snow & Co., and Stone, Martins, & Co., all of which are wealthy firms. Jones, Loyd, & Co. stand very high for wealth, and the property of the partners is said to be worth nearly £3,000,000 sterling.

Lord Overstone, formerly Mr. Samuel Jones Loyd, who was the leading member of the firm, is regarded as the first banking authority in the country. He has published innumerable pamphlets on the currency question, and has

the credit of having been consulted by Sir Robert Peel on the changes effected during 1844 in the powers of the Bank charter.

The other very important City private banks are, Messrs. Glyn & Co.; Messrs. Barclay, Bevan, & Co.; Messrs. Smyth, Payne, & Smith; and Messrs. Masterman & Co. The two first-named houses transact an enormous business as agents for country banks, in addition to their long-established and vast town connections. Messrs. Glyn & Co. have, within the last few years, largely increased their operations by being favoured with the accounts of many of our first-rate railway companies; the high standing Mr. Glyn has taken, in his position of chairman to the London and North-Western Company, having merited the confidence of the directors of such associations. The other houses have large mercantile connections, and through this medium continue to derive considerable profits from their business.

The first blow to confidence in private banks was the numerous failures in 1819-21, which immediately gave rise to the Joint-Stock system. These being closely followed by the more important stoppages of 1836-37, and of 1840-41-42, the new constitution of banks on this principle soon gained firm root. Although the greater number of the houses that failed were country bankers, still as they included Messrs. Wright & Co., Messrs. Whitmore, Wells, & Co., Messrs. Weedon & Co., and other London bankers, the security of the public became a question of universal consideration. Besides, in many instances, it was found, when the several estates were brought under the administration of bankruptcy, that such had been the reckless appropriation of the property of customers, that scarcely any regard had been paid to the most sacred trust the partners had entered into.

In some of the country failures it was discovered that the firms had gone on for years after a knowledge of utter insolvency; and in others, that so desperate were the shifts resorted to, in order to maintain the credit of the bank, that the acting principals had not hesitated to lay themselves open to criminal proceedings, had creditors thought proper to institute them. Some of the London cases exhibited features quite as deplorable: — John Wright of Covent Garden was no better than the Ridges of Chichester; the Wakefields of Throgmorton Street were worse than the Wigneys of Brighton; and all developed breaches of confidence most pernicious to commercial reputation. The judgments of the Bankruptcy Commissioners, under these different estates, were of a description perfectly justifying the refusal or suspension of the certificates of the various parties.

In the meanwhile, though Joint-Stock banks had made way in the country, failures connected with them took place, which for the while crushed much of the influence they appear destined to exercise upon monetary affairs. Several of these, patronised in a most encouraging manner in the Lancashire districts, after having been made the convenience of speculative mill-owners, manufacturers, and others, suddenly exploded and ruined their shareholders.

The West-end private bankers enjoy very stable reputations, being principally banks of deposit, whose customers seldom overdraw their accounts or require advances. Coutts & Co., Childs & Co., and Cockburn & Co., with others, are understood to possess very large balances on current accounts; and thus these firms are relieved in a great measure from the responsibility attaching to business requiring bill or loan accommodation. The friends and patrons of these establishments being members of the no-

bility and aristocracy of the kingdom, they continue year after year, in individual cases, in charge of amounts varying from £5,000 to £50,000.

The Joint-Stock system has made sufficient progress within the last quarter of a century to raise five establishments of great pretensions in the metropolis, which having hitherto been prudently conducted, tends much to increase the favour of the public towards them. The chief of these is the London and Westminster Bank, which has five branches besides its head establishment. The London Joint-Stock Bank was the next established, and these were quickly followed by the Union Bank of London, the Commercial Bank of London, and the London and County Banking Company. The London Joint-Stock Bank has one City, and one West-end establishment; the Union Bank one City, and two West-end establishments; and the Commercial Bank of London one City, and one West-end establishment. The London and County Bank has one establishment in the City, and one establishment in West Smithfield, beside numerous branches in the country, through which a considerable portion of its business is understood to be derived. The Royal British Bank, transacting business on the Scottish principle, has lately been brought into operation, and the dividends declared at the rate of 4 and 5 per cent., would lead to the inference that it is conducted with success. All the other establishments pay dividends of 6 per cent., and report good reserve funds, judicious management having enabled the directors to keep their business within the limit of a small amount of bad debt, while profits are well supported.

One of the attractions of the Joint-Stock system has been the allowance of interest on "current" as well as on "deposit" accounts, the rate being regulated between 1

and 2 per cent. according to the abundance or scarcity of capital, but some are now gradually abandoning it.

These banks possess a large staff of officers in the character of managers, sub-managers, and secretaries, beside their cashiers and clerks, as in ordinary banking-houses. These appointments must absorb a great deal of money, because it is necessary that the several gentlemen holding them should be well paid, to ensure honesty and strict integrity of conduct. It is estimated that the chief managers' salaries range from £1,000 to £2,000 a year, and the secretaries can scarcely receive less than from £500 to £800 a year, according to the standing of the several establishments.

It is generally remarked that a wide difference exists between the class of people employed in Joint-Stock banks and those employed in private banks. Instead of meeting in the former, as you do in the latter, cashiers and clerks peering through spectacles, with a steady and staid appearance, whose only inquiries are respecting the weather and the prospects of business, you find yourself in the company of sprightly young gentlemen, who talk about new operas and the other amusements of the town with all the ease of connoisseurs in high life; and whose chief study is to give effect to chequered neckerchiefs, showy chains, and mogul pins.

This, no doubt, is the march of improvement, but to the quiet man of business the times, in this respect, are scarcely so acceptable as the old days of white ties, venerable faces, and tranquil attention to the wants of customers. The modern improvements do not facilitate the counting or weighing of sovereigns, crossing cheques, or balancing ledgers.

It is remarkable what a large class of juveniles the Joint-Stock banks have in their service: at the counter the

cashiers are usually young, in the counting-house they are younger, and in the interior offices many of them are mere boys who have just left school. Under a state of affairs of this description, if they go in at £50 a year and rise to £250 as cashiers, the progress of twenty or thirty years cannot put them in a very comfortable position. The venerable persons in Joint-Stock banks are the manager and the secretary. Upon these the weight of business devolves, and hence experience and foresight are required. As they are supposed to take the greatest share of salary, they also are supposed to take the greatest share of responsibility. It is, however, understood that each clerk, as in all other responsible situations, finds security to a certain amount, which, of course, operates against any alarming irregularity.

But notwithstanding the phase of affairs seems to have so suddenly altered, the Joint-Stock banks enjoy a large proportion of public confidence, and the amount of business transacted is, no doubt, fast increasing. The London and Westminster decidedly stands first on the list; the London Joint Stock, second; and the Union of London, third. To carry comparison further would, perhaps, be invidious.

Since the development of the Joint-Stock system of banking in London, a number of Colonial Joint-Stock banks have started, many of them being carried on with questionable success. These are connected chiefly with the Australian Colonies, one with the West, and another with the East Indies. Others, again, have been brought out in connection with Ireland, which have answered expectations. The fault with two or three of the Australian banks, and also of the one connected with the West Indies, is that the scene of business being situated at so great a distance from the investigation of the directors in London, the large amount of bad debt incurred, to say

nothing of the doubtful character of the securities held, has, in the long run, eaten up the profit of the concern, and left a loss, in some cases to be provided for by the shareholders.

It has also been found that managers, when so far away from the eye of their employers, have not been particularly scrupulous in using the cash of the bank. This was the case with the manager of the Colonial Bank at Barbadoes; who was subsequently found guilty and punished for the offence. In another instance, the manager of a Sydney Bank was discovered to be in arrear, and he made the excuse that the style of living required to keep up the credit of the establishment, in competition with neighbouring concerns, could not be met by his salary.

Several of these banks are doing a profitable business, because money fetches a much higher rate of interest in the Colonies than in the London market. The Colonial Bank paid a very handsome dividend during the first two years of operations, but after that a diminution was made, owing to losses, and now 2 per cent. is the maximum amount distributed. Others have followed the example of some of our provincial banks — blown up, and sacrificed the wealthiest of their supporters.

The chief bill-brokers of the present day are, Messrs. Overend, Gurney, & Co., Messrs. Sanderson & Co., and Messrs. Bruce & Co. It is stated among City people, as an average of the business transacted by these houses, that the first two, if not the third, have many millions of paper under discount in the course of the year. The bills these houses principally discount are those of merchants and country bankers; and the rates paid vary according to the general supply of money, and the terms upon which the Bank of England is disposed to make advances: $2\frac{1}{4}$ and $2\frac{3}{4}$ per cent. is about the current quotation for unquestionable

paper, but as much as 8 and 10 per cent., even on first-rate bills, has been paid when a scarcity has existed, and when the Bank has continuously advanced its rates of discount. During the commercial crisis of 1847, the rate fixed by the Bank, under government sanction, was temporarily 8 per cent., and at that period there was, of course, what is termed a "dead lock" to all money accommodation.

Bill-brokers advance money on all descriptions of securities, such as Exchequer Bills, Consols, wine, sugar, or other produce-warrants; but they usually take care to stand in a good position, that is to say, on the right side of the value of the security they hold. The mode in which a bill-broker finds capital to discount so large a mass of floating paper, is by receiving deposits, much in the same way as a banker. Persons who have confidence in these firms, which are in themselves wealthy, will place money in their hands, receiving interest at the current market rate. For instance, if the Lombard-street broker is doing business at $2\frac{1}{4}$ to $2\frac{1}{2}$ per cent., he will allow a depositor 2 per cent. for his money, the profitable employment of which may yield him the quarter or half per cent. If money is only left "on call," as it is termed, that is to say, to be repaid whenever required, then so large a rate of interest is not allowed, the broker not having the opportunity to turn the cash as he desires, which is afforded by a deposit for a fixed period.

It must always be recollected that such low rates as these only apply to bills of first-rate character, which would receive consideration in the Bank parlour itself, and not to the ordinary class of bills afloat in the market. These houses will discount trade paper, but higher rates of interest must be paid. In most of the cases a month's credit is given; the settlement of this description of bills falls on the 4th of the month, the result of which is

regarded with some little interest, especially by those engaged in the woollen and linen-drapery trades, a class of dealers who have very extensive transactions in paper.

The first-rate discounters have many sources of employing their capital besides the "bill business." They are applied to, and often mix themselves up with loan contracts and other financial operations connected with foreign governments, which, making allowance for a small quantity of risk, yield them much better profit than they can realize from their general pursuits.

Of second and third-class bill-brokers, or discounters, a great number exist both in the City and the outskirts, the repeal of the usury laws having increased the desire of many to enter into this description of business, for the sake of making the most of surplus capital. These discounters number—attorneys, tradespeople, and petty shopkeepers, who, at the risk of getting 20, 30, or 50 per cent. for their money, jeopardize what they already possess.

Persons who have retired from business, very often "discount" for the employment of their cash; but it is most commonly a losing speculation in the end. To use the expression of one of these Shylocks—"they get as much per centage as they can;" and the Jews have a mode so convenient of reckoning principle and interest, that 80 or 90 per cent. will sometimes not cover the expenses of renewals. These people visit the second-class coffee-houses and taverns; and one or two of the Hebrew persuasion, who do a great deal of business, visit Garraway's and the Auction Mart. When bills are discounted, or loans advanced at these houses, the borrower may expect to be paymaster for refreshment; and under such circumstances the lenders are always in excellent condition for feeding.

Connected with the subject of banking, the clearing-house must not be forgotten.* This is an establishment in which the majority of the private bankers settle the accounts they have one with another. The clearing-house is situated in the same thoroughfare, and opposite the Foreign Post Office, in Lombard Street. Formerly the business of this department in banking was arranged in a room specially set apart for that purpose in Messrs. Smith, Payne, and Smiths; but it has now so much increased as to render a separate establishment necessary. The "clearing" bankers of London are about twenty-six in number; and the exclusive privilege they enjoy of arranging the balances of the one house with the other, through this medium, greatly facilitates their business. The operation may be thus described. The regulations for clearance are arranged by a committee of the number who compose the body (all City houses), and managed by their representatives. These, with two inspectors, check and authenticate the result of each day's business. The room in which this is transacted is a spacious apartment, fitted up with the number of desks required for the twenty-six houses, the name of each respective firm being inscribed on them in alphabetical order.

The work done may be divided into three parts—viz., the morning's clearance; the afternoon's clearance; and the final settlement of balances at the close of the day. The business commences about twelve o'clock, the several clearers having before that hour made up accounts at their own establishments of the amounts they have to receive from, or pay to, the other firms on bills, crossed cheques, and country notes. When they meet, each clerk gives a credit, or a debit, as the result of dealings prove; and

* The clearing-house is described above with much brevity, the subject having been so fully exhausted by Mr. Tate, in his useful little work.

thus the state of account and balance is readily made known to the principals of each firm.

The same course is pursued with respect to the afternoon clearance, which commences about three o'clock; that division including all cheques, bills, etc., that may have come in since the morning's investigation. This part of the business is settled at four o'clock, and between that hour and five the last balance is made. After four, the rule is, that no new bill or cheque be received. The final proceeding, the balance of the account, is then gone into; the accounts are examined by the inspectors, and checked by the respective representatives. To distinguish the bank that is a creditor, or the bank that is a debtor, the balance paper used is printed in red or black ink, and this the inspector receives for the winding-up of the account. All that then remains to be done is, for the clearing-clerk to make his arrangements for payment or receipt, which he does by either handing over the amount due from him, or collecting what is due to him from other firms.

It is an invariable rule to use Bank notes in payment. Any sum below five pounds is settled by a cheque or order, on the debtor house, which is receivable the following day. If errors occur, as is frequently the case from the rapid mode of transacting the business, they are sure to be discovered in the final arrangement of accounts by the inspectors, who then have the whole re-examined for the correction of the blunder. The private bankers sedulously exclude the Joint-Stock banks from the facilities extended to business by the clearance. Even the Bank of England is not permitted the privilege; but it exercises a similar function in sending round every morning to each of the London bankers the amount for which they hold them responsible on account of bills due that day.

The West-end bankers have not the opportunity for

joining the association. Their houses are at such a distance that they cannot avail themselves of its use; otherwise there can be no doubt they would be speedily admitted. The inroad that Joint-Stock banks have made upon the business of private bankers, is sufficient excuse for their exclusion. The Joint-Stock banks say they have a right to admittance; the private bankers say they have none, and refuse to concede the position. As the clearing-house is the property of the private bankers, there seems little chance of the demands of the Joint-Stock banks being complied with. At every annual meeting of the London and Westminster Bank, the old complaint is made of the non-admission of the Joint-Stock establishments to the privileges of the clearing-house.

The only way the Joint-Stock banks could get over the difficulty, would be by starting a clearance-house of their own; but then the question is, how their power, compared with the private bankers, at present stands in this respect. A story is told of the origin of the clearing-house being a post at the corner of Birchin Lane and Lombard Street, near Overend, Gurney & Co.'s, the great bill discounters, where two or three of the clerks of banking-houses met for years to furnish each other with the memoranda of these accounts. The extent of business transacted through the clearing-house is enormous. A Parliamentary return shows the payments during the year 1839 to have been, on the average, £6,250,000 daily; the gross amount for the year being £954,401,600.

Before concluding this chapter in connection with Banks, it may be well to quote the date when forged Bank of England notes were first discovered. The circumstances are related in the history of that establishment, lately published.

"The day on which a forged note was first presented at

the Bank of England forms a memorable era in its history. For sixty-four years the establishment had circulated its paper with freedom; and during this period no attempt had been made to imitate it. He who takes the initiative in a new line of wrong doing has more than the simple act to answer for, and to Richard William Vaughan, a Stafford linen-draper, belongs the melancholy celebrity of having led the van in this new phase of crime, in the year 1758. The records of his life do not show want, beggary, or starvation urging him, but a simple desire to seem greater than he was. By one of the artists employed, and there were several engaged on different parts of the notes, the discovery was made. The criminal had filled up to the number of twenty, and deposited them in the hands of a young lady to whom he was attached, as a proof of his wealth. There is no calculating how much longer Bank notes might have been free from imitation, had this man not shown with what ease they might be counterfeited. From this period forged notes became common. The faculty of imitation is so great, that when the expectation of profit is added, there is little hope of restraining the destitute or the bad man from a career which adds the charm of novelty to the chance of gain. The publicity given to the fraud, the notoriety of the proceedings, and the execution of the forger, tended to excite that morbid sympathy which, up to the present day, is evinced for any extraordinary criminal." The extreme penalty of the law has long since been abolished with regard to forgery, and the improvements lately effected in the manufacture of bank-note paper now happily render frauds of this description of rare occurrence.

CHAPTER II.

The Stock Exchange—Its Origin—Increase of Business by the Introduction of Foreign Loans and Shares—The Excitement of the Year 1824-25—Constitution of the House—Broker and Jobber, and Mode of Business—Speculators and Time Bargains—Stringent Regulations of the Committee—The Spanish Panic of 1835—Zumalacarregui's Death—Bulls and Bears.

The Stock Exchange, and the business therein transacted, seem always to have been a mystery to the public, excepting the favoured few whose occupation and walk of life have brought them into connection with it. The operations of the speculator, the business of the broker, and the situation of the jobber, all with their different tendencies, have puzzled the public in the investigation of the secret, especially in relation to the several phases of affairs. That fortunes are lost and won by the result of the movements of the dealers, appears to be the extent of knowledge the majority of the public have on the subject.

About sixty years ago, when foreign securities, mining and railway shares were unknown, the place where the stockbrokers conducted their business was nothing but a coffee-room at the end of Sweeting's Rents; and it was not till a large increase of speculation occurred,—first introduced by the appearance of loans contracted for the continental states, and succeeded by the enormous capital subscribed in periods of money-abundance for railways, mines, canals, etc.—that the expansion of this description of business really required a separate and distinct place of resort for those who devoted their time and attention to it. The bankers having taken up their position in Lombard Street, and established themselves in a situation which

had previously been the site of the dealings of their predecessors, the stockbrokers and speculators looked out for a convenient spot on which they could concentrate themselves for action in as near connection as possible with the Bank of England. This spot was found in the vicinity of Capel Court, Bartholomew Lane, where a suitable building was erected, the proximity to the Bank being necessary for the attendance of brokers at transfer and the other operations associated with the legitimate dealing in the public securities.

The panic caused by the explosion of the South Sea bubble gave the more adventurous class of dealers a foretaste of what was to be expected from the ruinous effects of entering into such business; but as years passed on, those who did not feel or suffer from the prostration of credit, severe as it was, forgot the occurrence of this event, and impelled by a desire to encourage the new notions of the day, again created a monster more appalling than the first. The Stock Exchange, in its more important position, with an increase of members, furnished immense facilities for these new speculations, and here was organized a point for monetary dealings which cannot be surpassed by any other similar establishment in the world. By the introduction of foreign securities, and mining and railway shares, all of which, according to estimates, were to return a much higher rate of interest than our own Government Stocks, a much more extended scope for speculative transactions was afforded, and the temptation held out to persons wishing to get a more than ordinary return for their capital, secured a stroke of business, the like of which the brokers had never before possessed. This increase, therefore, led to a proper appointment of apartments for the dealing in English and foreign stocks; there being one room for English bargains, and another for foreign bar-

gains; lately, a third for transactions in railway and other shares.

The year 1824-25, so prolific in Joint-Stock projects, contributed much excitement and added to the general business of the markets, by the various fluctuations in all descriptions of securities; and this only succeeded, or was in a certain degree contemporaneous with, the loans to several of the Spanish American States, which also gave great life to speculation, and caused the bonds issued by those governments to reach a price some 40 or 50 per cent. above their real value.

It has been asserted, and we believe with truth, that such was the excitement when the Peruvian loan was issued, that it was publicly sold on the benches of the Royal Exchange to the highest bidder. The loan was for a small sum—hence the subscribers who obtained any portion of it were a limited number; and so great was the anxiety of the speculators to have a share, the enormous rate of 6 per cent. being promised, that they even resorted to the scheme of a public auction to gain their end. On the benches of the Royal Exchange, we believe, sales were made at the high price of 90. It only, however, required a few years to show the true worth of the stock, for after the Peruvians had paid one or two half-yearly dividends, having the money safely in their own hands, they suspended all further payment, and it is only within the last two or three years that a compromise has been effected for a resumption.*

It was during excitement such as this that a certain number of the mass of operators made large fortunes; but, as in either case, whether loss or gain, it brought

* It is to the fertilizing effects of guano that the Peruvian bondholders are indebted for the funds from which their dividends are derived, since the value of that particular description brought from Peru yearly yields a large revenue to the republic.

business to the Stock Exchange, there was food for the markets and their supporters—all that was required to keep speculation afloat.

As a committee exists in whom are vested strong and salutary powers for the guidance of the members of the market, the rules are framed sufficiently stringent to protect the general body from serious peculation in shape of fraud or doubtful business. It is by these means that they are enabled to steer clear, in a great many cases, of the involvments that would often result from heavy speculations, or dealing with irresponsible people; for as they are aware that a defaulter is never readmitted to the house before he has paid 6*s*. 8*d*. in the pound, they exercise the necessary caution to keep themselves out of trouble.

Of course failures occur, and these pretty often, when there has been a continuous rise or a sudden fall in prices, but not to the extent which would actually take place were the committee to relax their rules, or give by their decisions in disputed cases the least encouragement to irregular dealing. The committee possess great power, and few complaints are made of the manner in which they enforce it. The present number of members of the Stock Exchange approaches nearly 800; each paying a subscription of £10 per annum, besides finding securities for between £800 and £900.

In tracing more minutely the history of the Stock Exchange and its government, it appears that it was first erected in the year 1804, and was at that date exclusively devoted to the transaction of the business in the English funds, the jobbers and speculators in the foreign stocks being excluded, and compelled to transact their dealings on the walks of the Royal Exchange. A few years elapsed and this distinction was abolished, and every member has now a perfect right to operate in any security for which he

can find a market. The broker is always ready to purchase or sell for his principals whatever stock or shares the latter may wish to "do business in;" while the jobber, on the contrary, generally confines himself to some particular security. Individuals professing larger capacities than others, are accustomed to deal promiscuously in any stock to which they may feel disposed to turn attention.

The difference between the "broker" and the "jobber," the two classes of dealers in the market, may be thus explained. It is the business of the broker to receive and execute the orders of bankers, merchants, capitalists, trustees, and private individuals, who are, except through this functionary, excluded from the Stock Exchange. As none but duly admitted members of the house can transact any business, those whose duty or inclination leads them to deal in the public funds, either as speculators or *bonâ fide* investors, are necessarily compelled to employ the regularly-sworn brokers of the establishment.

The usual commission charged by the broker is $\frac{1}{8}$th (2*s.* 6*d.*) per cent. upon the stock sold or purchased; although of late years this insignificant charge has been often reduced 50 per cent., especially in speculative transactions, a reduction ascribed to the influx into the market of a body of brokers who will "do business" almost for nothing, provided they can only secure customers. The reader can scarcely imagine the trouble occasioned to a stockbroker by an order for a trifling investment in the English funds. It matters not whether he has to buy £100 or £100,000 Consols; the same forms must be gone through at the Bank of England; and after, perhaps, losing a whole morning in effecting the necessary transfer, the broker receives for his remuneration the enormous sum of 2*s.* 6*d.* or 5*s.*

The brokerage business in foreign or fluctuating stocks

pays far better; but then the broker is almost always liable to heavy losses from the failure or defalcation of principals. In Consols, and the Reduced securities, where business is transacted for money, and the whole affair is settled in the course of the day, the broker is safe; and if he can only secure a constant succession of *bonâ fide* orders for the purchase or sale of English stock, he may consider himself a fortunate man, and live for the most part emancipated from that wearing anxiety which is inseparable from a gambling or "time-bargain" business.

The brokerage on shares varies according to the value of the stock, from 1*s.* 3*d.* up to 10*s.* per share, and is regulated as follows:—Shares upon which £1 and £2 only have been paid, 1*s.* 3*d.* per share; shares of £5 and under £20 value, 2*s.* 6*d.* per share; shares of £20 and under £50 value, 5*s.* per share; and shares of £50 and upwards in value, 10*s.* per share.

The jobbers are a class of members who remain stationary inside the stock-market, in readiness to act upon the orders received from the brokers. They may be considered to stand in almost the same relation to the brokers as barristers-at-law do to solicitors, being chiefly dependent upon their favours. On the average, they are men who, possessed of a capital (as little sometimes as £300 or £400), endeavour to turn it to profitable account in the following manner. When brokers present themselves in the market to "do business," the jobbers are, or ought to be, always prepared to make a price. The readiness which they display in offering to operate to large amounts at the apparently small difference of $\frac{1}{8}$th per cent., would seem extraordinary, were it not a fact, that they are so numerous, that an eager and active competition is excited among them to get the orders of the brokers. When a broker presents himself as a buyer or seller, he is instantly surrounded by

a number of jobbers, who announce their readiness to take or supply whatever amount of stock he has orders to deal in at a price varying the $\frac{1}{8}$th (2*s.* 6*d.*) per cent.

To explain more clearly: if a certain broker has business to transact in £5,000 Consols, the jobber will offer to buy his £5,000 at the market price, say at 97, or to sell him the same amount at 97$\frac{1}{8}$th, without being in the slightest degree aware whether the broker has orders to buy or sell; thus incurring the risk of selling that which he does not possess, or buying what he has no intention to keep, his only object being to undo his bargain at a difference of $\frac{1}{8}$th per cent., and sometimes at only $\frac{1}{16}$th, with another broker, who may have to effect an operation precisely the reverse of the other; the $\frac{1}{8}$th or $\frac{1}{16}$th per cent. constituting the profit of the jobber.

The principal has not only, therefore, to pay his broker a commission of $\frac{1}{8}$th per cent., but also to contribute to the profit of the jobber, who, having the market in his power, makes a price which gives him (the jobber) an advantage of $\frac{1}{8}$th per cent. For instance, when the price of stock is quoted either by a broker, or in the public prints, at 35 to $\frac{1}{8}$th, the public are given to understand, that if they have stock to sell, they can only obtain 35 per cent. for it; but that if they are buyers, they must give 35$\frac{1}{8}$th per cent. The lowest price quoted is the selling price, and the highest the buying price. In many stocks the difference is as much as $\frac{1}{2}$, $\frac{3}{4}$, or 1 per cent.; and this is called a "wide margin." In Consols the difference is never more than $\frac{1}{8}$th per cent.

But the business of the jobber is one of loss as well as profit. He occasionally runs considerable risk, since, after concluding a bargain, and while endeavouring to obtain a profit thereon, the market may suddenly change, owing either to extended sales or continued purchases. A clever

and experienced jobber will, however, often extricate himself from this awkward situation, either by borrowing stock to deliver to the broker, or money wherewith to pay for the stock he has purchased, as the case may be, and so wait for a more favourable opportunity of undoing his bargain. He may also have recourse to an "option," a transaction which, however, besides being illegal, and not recognised by the committee, is chiefly confined to the speculators within the house. It is, moreover, so intricate and complicated, and depends so much upon the opinion or caprice of the parties who do this sort of business, that it would be no easy matter intelligibly to describe it.

Without the intervention of the jobbers, it is quite evident how great a difficulty would be opposed to the conclusion of the numerous and extensive transactions that daily take place. The jobbers are in reality the "middle men," who stand in the house in the character of dealers, always, or almost always, ready to buy or sell, thus obviating the necessity of any broker seeing a second broker, with whom to transact his particular business; or, in other words, whom it might suit to buy the stock which the first broker had to sell, or *vice versâ*. Now, in this case, even if a second broker could be found, he might not be able to concur in the precise amount of stock in which the other had to operate; whereas the jobber is ready to do business to any amount, even to the smallest fraction, and hence prevents much time and labour from being fruitlessly consumed.

It sometimes happens that a broker who has orders to dispose of shares not current in the market, is compelled to wait for months before he can find a buyer, or otherwise, as the case may be; whereas, in reference to stocks and shares passing freely in the house, the jobbers offer themselves as buyers or sellers at a moment's notice, and

thus afford facilities which could not be effected without them. It is, however, true, that occasionally, when a broker has business to do in shares not much dealt in by the jobbers, the latter will often "put on the screw" rather tightly, and make a "wide" or nominal price, for the purpose either of avoiding the thing altogether, or of securing to themselves an advantage sufficiently great to counterbalance their reluctance to buy or sell the stock in question.

In such a case, the jobbers will try their utmost to discover whether the broker be a buyer or seller; and if they can once succeed in doing so, he is quite at their mercy, being either driven out of the market, or forced to do business on hard terms. These instances may, however, be said to form an exception to the general rule.

Having thus far described the difference between broker and jobber, and the course of dealing for "money," we may now proceed to notice "time bargains," or speculative transactions. The very existence of the Stock Exchange, as at present constituted, almost depends upon speculations in "time bargains;" inasmuch as when there exists a body of nearly 1,000 members, the actual "money," or *bonâ fide* business, would be utterly inadequate to provide employment for them all, notwithstanding the enormous magnitude of the National Debt, and the amount of foreign and other securities.

"Time bargains," when properly so-called, are purchases and sales of stock for future but certain fixed periods, regulated by the committee of the Stock Exchange. The supposition is, that these transactions originated in the business which has always been transacted in the English funds during the period in which the books for the transfer of stock are shut. For instance, Consols generally close about the beginning of June and December; that is to say, the transfer books at the Bank of England are shut

for the space of five or six weeks, in order to allow time for the preparation of the dividend warrants, which are always paid in the following months, January and July.

It is obvious that an individual who wished to buy or sell that particular stock during the period referred to, would be unable to effect his object; hence, in order to secure the price of the day, he buys or sells the stock "for the opening;" that is, for actual transfer on the day when the transfer books are reopened. The only disadvantage is the slight delay that is occasioned to the transfer of the stock, or the payment of the money to the individual in question. This mode of doing business is quite legitimate, and in no degree partakes of the nature of gambling; but the practice has given rise to operations of the greatest magnitude, founded, not on actual necessities, but solely on speculation; and the method having been found convenient at one period, has been continued on subsequent occasions without, however, possessing the same pretext for its adoption.

Periodical dates have consequently been fixed upon by the committee, similar to the "opening," at intervals of about four weeks, as far as Consols are concerned, and at intervals of a fortnight as far as concerns shares and foreign stocks. On these settling-days are arranged and adjusted all the bargains made during the preceding four weeks for that particular day; those jobbers who sold stock having to deliver it, on the one hand, and those who bought stock having to accept and pay for it, on the other. But with the majority of the speculators the matter is quite different; their bargains have been purely of a gambling nature, based upon their anticipations of a rise or fall in the securities in which they deal during the six weeks that intervene between each settling-day. So whatever differences may exist between the price at which a

party commenced his speculation and that at which he finally closed, it is settled—must be settled—on these important days; and his operations not having, most likely, been confined to the same jobbers, but having been effected with several, it becomes necessary to balance them with the parties concerned.

Much the same process takes place on this occasion as that practised at the banker's clearing-house, by establishing balances between each other, chiefly through the medium of an average or "making-up" price. If the average or general price of Consols during one account be 95½, all parties who have bought or sold at that price endeavour to avoid the necessity of paying or receiving the differences, by cancelling or neutralizing the balance between each other. Whatever balance remains unsettled by this process is adjusted as follows. The name of the *bonâ fide* purchaser of the stock (who intends to receive and pay for it) is passed from one broker, or jobber, or speculator, to another, until it comes at length into the hands of the opposite party, the *bonâ fide* seller (who intends to deliver and receive the price of the stock).

By this means all the intermediate persons through whose hands it passes are enabled to close their accounts with each other at the particular or "making-up" price, and receive the differences accordingly. In short, all transactions kept open until the settling-day must then be closed, and the party who delays this operation till the last moment is frequently exposed to a loss, from the difficulty of finding others, who, having adjusted their own accounts, are unable or unwilling to enter into any fresh transaction on this day of reckoning, whereby he is compelled to pay an extra price to those who have it in their power to afford him this facility, in order to enable him to close his account. Those brokers or jobbers who have

been unlucky in their speculations, and having to pay heavy balances, are unable to procure the money, are compelled to announce the disagreeable fact to the committee, who immediately declare them to the house as "defaulters," and exclude them altogether from the market.

Numberless fearful "settling-days" are recorded in the annals of the Stock Exchange. Those which took place during the great Spanish panic in 1835, and the railway rage of 1846 and 1847, were positively awful. For the short period it lasted, the Spanish panic was one of extreme severity. The stock dropped 5 and 10 per cent. at a time — crash succeeded crash — failure followed upon failure; and those few fortunate members who escaped the wide-spreading calamity describe the scenes then witnessed as sufficient to have struck terror and dismay into the most courageous and undaunted heart. General experience in connection with what has since occurred through the railway mania, will also leave remembrances quite as appalling, while the ruin and misery that have followed have been more universal.

Many of the bargains, however, which are made for this particular settling-day are really *bonâ fide* transactions; the stock bought and sold being, in point of fact, delivered by the actual holder and taken by the new purchaser. The process is one of daily occurrence, and not necessarily confined to a settling-day, although on such occasions it usually amounts to a considerable item, from its having extended over a much wider period.

In either case, however, the following is the way in which the matter is settled between the broker and his principal who has sold the stock. The broker ordinarily passes his cheque for the proceeds of the sale to his principal, taking the precaution to cross it,—*i. e.* to write the banker's name across the cheque, into whose house the

principal intends to pay it. When, as is sometimes the case, Bank of England notes are demanded instead of crossed cheques, the bargain is made accordingly. In this contingency the jobber who buys the stock provides the bank notes by borrowing of those who may have large balances at their bankers, or by other means. The notes so borrowed by the jobbers are then paid over to the broker, and by the latter to his principal. This operation is, however, seldom resorted to by real men of business, unless they have reason to suspect the credit of the party who draws the cheque.

The jobber, on the other hand, having sold the stock to another broker, who has to buy for his principal, receives his cheque in return; hence, by this simple process of passing four cheques,—viz., that of the purchaser to the broker—that of the broker to the jobber—that of the jobber again to the broker who first sold the stock—and that of the latter to his principal—the whole transaction is completed. It is no uncommon thing for £10,000 or £20,000 to be passed from one hand to another merely through the convenient medium of these crossed cheques. If bargains in the public securities were obliged to be settled in hard cash, or even in bank notes, the business could never be got through; whereas by the existing system, millions of money may change hands without the necessity of calling into requisition a single current coin of the realm.

Brokers and jobbers who are suspicious of the validity of certain cheques paid to them on the settling-day, remain in the City until after clearing-time, to ascertain whether the drafts are accepted by the banker's representatives, or rejected for want of assets. A broker to whom a large cheque is thus returned would be placed in a most embarrassing situation, especially if he had drawn to the utmost extent on his own banker, in anticipation of

being credited by them with the draft in question, perhaps, one of £5,000, or even more.

The transactions in the foreign stock markets are carried on much in the same way as those in English share securities, except that the "settling-days" are much more frequent, occurring as we have said once in every fortnight. The jobbers in these departments are distinct from those in the English house; but, notwithstanding, they are quite at liberty to deal in either provided they can find the necessary business.

Associated with "time bargains," may be noticed that important branch of Stock Exchange business known by the denomination of "continuation," or "carrying over." This is nothing more than interest for money borrowed, or lent, on the security of stock. The rate of this interest, or "continuation," varies according to the abundance or scarcity of money, and the value of the proffered securities. For example:—on British stocks, even when money is very scarce, it seldom exceeds the rate of 5 per cent. per annum, from one account to another. It is, however, widely different in the foreign stock and share markets. Here, where the security consists of foreign bonds of doubtful description, or the security of Joint-Stock Companies, the rate ranges from 5 to 15 per cent. per annum; although it seldom attains so high a point as the latter, except on extraordinary occasions. Several causes will tend to produce this variation in the rates of "continuation." In the case of Consols, which constitute the only good stock for speculation in "time bargains" in the English market, the price varies so little in comparison with the value of the stock in the course of an "account," that the security is considered available in itself, and so the extra charge is comparatively small in amount.

With respect to foreign stocks, which are continually

fluctuating, a fact readily accounted for by the extremely precarious nature of this description of property, the rule is quite the contrary. Many of the foreign bonds in circulation on the Stock Exchange have ceased to bear any interest whatever; and these carry the marks of their shame and disgrace in the shape of arrears on coupons, overdue for several years. It is not, therefore, surprising that such securities as these do not command the same credit as our own English stocks; and it follows that those who wish to raise money upon them must consent to pay a much higher rate of interest for the accommodation.

The rates of "continuation" on railway shares will often rule as high as those current in the foreign market, it depending in a degree on the nature of the account and the general course of speculation. Terms equal to 20, 30, and even 40 per cent. have been submitted to in periods of extraordinary excitement, for the purpose of carrying out these operations. Much business is transacted in this way, and many brokers who can obtain large sums almost at pleasure, devote their exclusive attention to it. The mode of effecting the operation is very simple, both in the English and the foreign stock and railway markets. Suppose the rate of continuation in the Consol market to be $\frac{9}{16}$ per cent. until the next account, and a party wishes to lend money on that stock for the usual period of six weeks (say from the 17th of January to the 28th of February); in this case his broker procures him, say, £1,000 Consols, on security, for which he furnishes the money at the actual price of the day, say 90, making £900, and resells at the same time the said £1.000 stock for the 28th of February at $90\frac{9}{16}$, making £905 12*s*, 6*d*., and leaving a difference in favour of £5 12*s*. 6*d*. for the loan of £900 during a period of forty-two days, which is at the rate of £5 3*s*. 8*d*. per cent. per annum. On foreign secu-

rities and railway shares the principle is the same, and the brokers make in times of scarcity a large profit by such business, especially when they are pretty sure of their customers.

The committee appointed to superintend the affairs of the Stock Exchange consists of thirty members of the house, who are elected by the members every Lady-day, each member possessing one vote. The committee meet at certain regular periods to enforce the rules enacted for the admission and expulsion of members. Some of the regulations of the house are said to be at variance with the established laws of the country, but they are seldom so strictly carried out as to bring about a collision with the courts of justice; and they fully answer the purpose for which they are intended, all members being compelled, previously to their admission, to subscribe to the conditions therein laid down.

On the election of a new member his securities must be produced, and they are held responsible to the amount already stated for the first two years of probation. In the event of his failure within that period, the sum for which they bind themselves is forfeited, and is appropriated to the liquidation of the claims of creditors. Cases have occurred in which stockbrokers have been made answerable to the bankruptcy laws; but this course is not usually followed out. The general rule is to deliver all available assets over to the committee for distribution, because, as the members are prohibited from engaging in any other business, it is very seldom that claims of consequence can be established without the walls of the house.

The penalty inflicted on defaulters in the Stock Exchange is extremely, but certainly not too severe; although it is to be hoped that failures result, in the majority of cases, from misfortune, and not from dishonesty or fraud.

When a defalcation takes place, the course pursued is as follows. At the commencement of the "settling-day," should a broker or jobber, the one through the default of his principals, and the other in consequence of unsuccessful speculations, find a heavy balance on the wrong side of his accounts, which he is unfortunately unable to settle, and should an attempt to get the assistance from friends prove unavailing,—he must fail.

Excluded from the house, the scene of his past labours and speculations, he despatches a short, but important communication to the committee of the Stock Exchange. The other members of the institution being all assembled in the market, busied in arranging and settling their accounts, some of them, interested parties, become nervous and fidgety at the non-appearance of Mr. —— (the defaulter in question). The doubt is soon exploded; for the porter stationed at the door suddenly gives three loud and distinctly repeated knocks with a mallet, and announces that Mr. —— presents his respects to the house, and regrets to state that he is unable to comply with his "bargains"—*anglicè*, to fulfil his engagements.

Business then proceeds, when the members who had accounts open with poor Mr. ——, and possibly large balances to receive from him, are at liberty to mourn over their losses, and think themselves fortunate if they are not pulled down by the weight of the first defaulter, and prevented by his failure from meeting their own contracts. In many cases a failure is just like the fall of one of the pioneers of children's card soldiers,—the former tumbles, and upsets, at the same instant, a host of others, who, had he sustained his equilibrium, would, in all probability, have remained "good men and true."

An honest defaulter will immediately assign his remaining assets to assignees appointed by the committee, who

inspect his accounts, and, if possible, declare a dividend for the benefit of his creditors. If the defaulter, failing from circumstances over which he had no control, can succeed in satisfying his creditors with the necessary composition, he may be again admitted into the house. To the credit of many of the members who have been unfortunate, it may be stated that, after success in future business, *they have cancelled old debts by payment in full.*

The case of a jobber who failed a short time ago can be cited as an instance of the value of securities to the body at large. He was a young man, who had only been a member of the house twelve months, and was going on well, when, suddenly getting beyond his depth, he lost £1,000 on one account. As his securities remained responsible, what they paid was sufficient, within a trifle, to satisfy the demands of his creditors. Others, on the contrary, can be named where the securities have proved wholly insufficient to meet the losses incurred. These, however, have been in connection with parties whose doubtful proceedings have been the topic of discussion in all quarters.

It is impossible to give a description of the failures that occurred during the celebrated "Spanish panic" in May, 1835. A decline of 20 or 30 per cent. in the Peninsular securities within a week or ten days ruined a considerable number of members; they, in their turn, were the cause of ruining others; so that, after the lapse of a month, the greater part of the Stock Exchange may be said to have fallen into difficulties. The failure of principals out of doors, who had large differences to pay, caused much of the trouble the brokers experienced. Men with limited means had ventured on what they thought was a certain speculation; but when pay-day arrived, and the account was against them, they were obliged to confess their in-

ability to furnish the funds required. At the time Zumalacarregui was expected to die—a principal, a person who could not command more than £1,000, "stood," as the technical phrase is, to make a fortune by the event. He speculated heavily; and had the Spanish general's decease taken place during the account, would have netted nearly £40,000. That event did not occur till the next week; in the meanwhile the individual was ruined, and his name and reputation were scattered to the winds.

Dishonest defaulters, no matter whether members or principals, are punished, and their characters blasted by the suspension of a black board in a conspicuous part of the house, on which their names are painted at full length.* This is the very heaviest disgrace which any member can possibly experience, as it inevitably excludes him from the society of honourable and respectable individuals. Many of the dishonest speculators were stigmatized by the black board in 1835, who, operating as principals through the instrumentality of luckless brokers, sustained frightful losses as "Bulls" of Spanish Stock.

When the market gave way and prices fell, they attempted to put off the evil day by "carrying over," instead of closing their accounts. Matters, however, only grew worse; and at length, when payment could be no longer evaded, they coolly turned round and refused, although many of them were competent to adjust the balances which their brokers exhibited against them. It is a law of the Stock Exchange in these cases, that a broker must either make good his principal's losses from his own pocket, or be declared a defaulter and expelled the house.

* We are sorry to notice that this practice is not followed with impartiality. During 1850 and the current year, individuals, whose conduct merited the penalty, have escaped the ordeal.

The origin of the black board is stated to have thus arisen in 1787: "'There were no less than twenty-five lame ducks,' said the *Whitehall Evening Post*, 'who waddled out of the Alley.' Their deficiency was estimated at £250,000; and it was upon this occasion the above plan was first proposed, and a very full meeting of the members resolved, that those who did not either pay their deficiencies or name their principals, should be publicly exposed on a black board to be ordered for the occasion. Thus the above deficiencies—larger than had been previously known—alarmed the gentlemen of 'Change Alley, and produced that system which is yet regarded with wholesome awe."

That this rule is imperatively necessary for the protection of the jobbers is certain; but it often presses with fearful severity upon honest, but not over-opulent, brokers, who, as in 1835, transact business for other parties, and afterwards become liable, in the event of their principals proving insolvent or turning out rogues. It is true that brokers should be, and in most cases are, particularly careful in the choice of principals who speculate largely; and a plan, we believe, is very often adopted of having a certain amount of stock deposited, as security, before they will undertake such business. No doubt can exist that every principal who dabbles in foreign funds, or rickety stocks of any sort, without a certain reserve for the security of himself and his broker, is a neck-or-nothing gambler, and little better than a downright swindler. He speculates as a mere "man of straw"—if his card turns up a trump, all is well;—if, on the contrary, he draws a blank instead of a prize, he is a ruined man, and his broker must go to the wall, unless he possess sufficient capital to pay the bad debts of his principal.

The technicalities of "Bull" and "Bear," though often

met with, may not perhaps be generally understood. A Bull is one who speculates for a rise; whereas, on the other hand, a Bear is he who speculates for a fall. The Bull would, for instance, buy £100,000 Consols for the account, with the object of selling them again during the intervening period at a higher price. The Bear, on the contrary, would sell the £100,000 stock (which, however, he does not possess) for the same time, with the view of buying them in and balancing the transaction, at a lower price than that at which he originally sold them. A fluctuation of ½ per cent. during "an account" would procure a profit, or entail a loss, on such a speculation, of £500. If Consols fall, the Bull finds himself on the wrong side of the hedge; and if they rise, the poor Bear is compelled to buy in his stock at a sacrifice of some extent.

Of the morals and manners of the Stock Exchange little can be said in praise. "Morals," it has been rightly asserted, "too often fade before money-making; and manners are regarded as unnecessary in the same eager pursuit. Nor is Capel Court an exception. When the fate of a jobber depends on the turn which the market may take—when sorrow or success hangs upon a word—when family, friends, and fortune are in the balance, and a rumoured falsehood may sink or save—it is not in humanity to resist the temptation; and it has, unhappily, become too general a practice to stop at no invention, and to hesitate at no assertion which may assist the inventor. From this cause, the Stock Exchange is rarely mentioned with that respect which it merits, as the theatre of the most extensive money transactions in the world. Public opinion punishes the many for the few. The great mass of its members have not power to disseminate an untruth: the brokers, bound not to speculate on their own account, have no interest in doing so; the small jobber cannot in-

fluence the price; many are too high-minded to avail themselves of dishonourable methods; and it is, therefore, to a particular class that the Stock Exchange owes its false report, its flying rumours, and its unenviable notoriety. Capel Court is, indeed, a complete anomaly. There are men of high character and station in its body; there is every endeavour made by its executive to abolish all which tends to make it despicable; the greatness of its dealings is unequalled; some of its members are members of the senate; others are honourable in spite of the temptations which surround them; it is consulted by chancellors, and taken into the councils of ministers; peace or war hangs upon its fiat; and yet the Stock Exchange is seldom named, out of the City, but with contempt; and a Stock Exchange man is, like the moneyed man in the early reign of William, despised by the landed, and looked down upon by the mercantile, aristocracy."

The members of the Stock Exchange, as an exclusive body, do not permit strangers to visit their establishment, and summary proceedings are adopted against intruders. One who suffered from the ungentlemanly proceedings of the members thus describes the outrage.

"I turned to the right, and found myself in a spacious apartment, which was nearly filled with persons more respectable in appearance than the crew I had left at the door. Curious to see all that was to be seen, I began to scrutinize the place and the society into which I had intruded. But I was prevented from indulging the reflections which began to suggest themselves, by the conduct of those about me. A curly-haired Jew, with a face as yellow as a guinea, stopped plump before me, fixed his black, round, leering eyes full on me, and exclaimed, without the slightest anxiety about my hearing him, 'So help me Got, Mo, who is he?' Instead of replying in a straightforward way,

Mo raised his voice as loud as he could, and shouted with might and main, 'Fourteen hundred new fives!' A hundred voices repeated the mysterious exclamation. 'Fourteen hundred new fives!' 'Where, where?—fourteen hundred new fives!—now for a look; where is he?—go it, go it!' were the cries raised on all sides by the crowd, which rallied about my person like a swarm of bees: and then Mo, by way of proceeding to business, repeating the war-cry, staggered sideways against me, so as almost to knock me down. My fall, however, was happily prevented by the kindness of a brawny Scotchman, who, humanely calling out 'Let the mon alone,' was so good as to stay me in my course with his shoulder, and even to send me back towards Mo with such violence, that had he not been supported by a string of his friends, he must infallibly have fallen before me. Being thus backed, however, he was enabled to withstand the shock, and to give me a new impulse in the direction of the Scotchman, who, awaiting my return, treated me with another hoist as before, and I found these two worthies were likely to amuse themselves with me as with a shuttlecock, for the next quarter of an hour. I struggled violently to extricate myself from this unpleasant situation, and, by aiming a blow at the Jew, induced Moses to give up his next hit, and to allow me for a moment to regain my feet.

"The rash step which I had taken was likely to produce very formidable consequences. All present were highly exasperated. The war became more desperate than ever. Each individual seemed anxious to contribute to my destruction; and some of their number considerately called out, 'Spare his life, but break his limbs.' My alarm was extreme; and I looked anxiously round for the means of escape.

"'You ought to be ashamed of yourself to use the gen-

tleman in that sort of way,' squeaked a small imp-like person, affecting sympathy, and then trying to renew the sport.

"'How would you like it yourself,' cried another, 'if you were a stranger?' shaking his sandy locks, with a knowing look, and knocking off my hat as he spoke.

"I made a desperate blow at this offender. It did not take effect, from the expedition with which he retreated, and I had prudence enough to reflect that it would be better to recover my hat than to pursue the enemy. Turning round, I saw my unfortunate beaver, or 'canister,' as it was called by the gentry who had it in their keeping, bounding backwards and forwards between the Caledonian and his clan, and the Jew and his tribe.

"Covered with perspiration, foaming with rage, and almost expiring from heat and exhaustion, I at last succeeded. I did not dare to reinstate it, but was forced to grasp it with both hands, in order to save what remained of it. I baffled several desperate snatches, one of which carried away the lining, and was now trying to keep the enemy at bay, afraid again to attack the host opposed to me, but not knowing how to retreat, when a person who had not previously made himself conspicuous, approached and interfered, 'Really, you had better go out;' at the same time pointing to a door I had not seen before.

"Comment is unnecessary, and, however, the practice may be repudiated by the members when out of the house, there are few who would not, in it, act in a similar disreputable mode."

CHAPTER III.

The Stock Exchange, *continued*—The late Mr. Rothschild and his Speculations—His Mode of transacting Business—The *quid pro quo*—The Dinner Party at Stamford Hill—Pigeon Expresses—Their Establishment and Progress—The Death of Mr. Rothschild—Buying the News of a Pigeon Express—The Daily Press and their Expresses—The Railway Share Market—The late Mania—The Success of Young Speculators—The Commission of the Brokers—The Railway System—Fraudulent Companies—The "Little Go" and the "Alley-Men"—Their Stock Exchange and Manner of Dealing—Share Applications by the Fraternity.

When the late Mr. Rothschild was alive, and business ever became flat and unprofitable in the Stock Exchange, the brokers and jobbers generally complained and threw the blame upon this leviathan of the money market. Whatever was wrong was always alleged to be the effect of Mr. Rothschild's operations, and, according to the views of these parties, he was either bolstering up or unnecessarily depressing prices for his own object.

An anecdote is related of this great speculator, that, hearing on one occasion that a broker had given very strong expression to his feelings in the open market on this subject, dealing out the most deadly anathemas against the Hebrews, and consigning them to the most horrible torments, he sent the broker, through the medium of another party, an order to sell £600,000 Consols, saying, "As he always so abuses me, they will never suspect he is Bearing the market on my account." Mr. Rothschild employed several brokers to do his business, and hence there was no ascertaining what in reality was the tendency of his operations. While perchance one broker was buying a certain quantity of stock on the order of his principal in

the market, another would at the same moment be instructed to sell; so that it was only in the breast of the principal to know the probable result.

Long before Mr. Rothschild's death it was prophesied by many of the brokers that, when the event occurred, the public would be less alarmed at the influence of the firm, and come forward more freely to engage in stock business. They have, notwithstanding, been very much mistaken; for although several years have elapsed since his demise, the intervening period, till the late railway speculation, was one of most unexampled dullness.

Mr. Rothschild is said to have generally speculated as a Bull, and a great portion of his large property was obtained by such operations. At a party which he once gave at his mansion on Stamford Hill, one of the guests, in order to pay a compliment to his host, introduced upon the supper-table the figures of a Bull and Bear in violent conflict with each other. The Bear, however, appeared to be nearly subdued by his horned antagonist; and the device, which was thoroughly understood, was honoured with the approbation of the company.

Among the various plans adopted from time to time for securing early intelligence at the Stock Exchange, none while it lasted proved more successful than that of "pigeon expresses." Till within the last twelve or fifteen years the ordinary courier brought the news from the Continent; and it was only the Rothschilds, and one or two other important firms, that "ran" intelligence in anticipation of the regular French mail. About that period, however, the project was conceived of establishing a communication between Paris and London by means of pigeons, and in the course of two years it was in complete operation. The training of the birds took considerable time before they could be relied on; and the relays and organi-

zation required to perfect the scheme not only involved a vast expenditure of time, but also of money. In the first place, to make the communication of use on both sides of the Channel, it was necessary to get two distinct establishments for the flight of the pigeons—one in England and another in France. It was then essential that persons, in whom reliance could be placed, should be stationed in the two capitals, to be in readiness to receive or despatch the birds destined to bring or carry the intelligence, and make it available for the parties interested. Hence it became almost evident that one speculator, without he was a very wealthy man, could not hope to support a "pigeon" express. The consequence was, that the project being mooted, two or three of the speculators, including brokers of the house, themselves joined and worked it for their own benefit.

Through this medium several of the dealers made large sums of money; but since the introduction of the winged messenger—the electric telegraph—these expresses have fallen into desuetude, and they are now seldom or ever thought of. The daily press, while this species of communication lasted, derived much of their special foreign information through its agency. The cost of keeping a "pigeon" express was estimated at £600 or £700 a year; but whether this amount was magnified with the view of deterring others from venturing into the speculation, is a question which never seems to have been properly explained.

Between 1837 and 1840 a vast sum was netted by the "pigeon-men," as the speculators supposed to have possession of such intelligence were familiarly termed; and their appearance in the market was always indicative of a rise or fall, according to the tendency of their operations. Having the first chance of buying or selling, they of

course had the market for a while in their own hands ; but as time progressed, and it was found that the papers by their "second editions" would communicate the advices, the general brokers refused to do business till the papers reached the City. The pigeons bringing the advices occasionally got shot on their passage ; but as a flock of some eight or a dozen were started at a time, miscarriage was not of frequent occurrence.

At the time of the death of Mr. Rothschild, one was caught at Brighton, having been disabled by a gunshot wound ; and beneath the shoulder feathers of the left wing was discovered a small note with the words—"Il est mort," followed by a number of hieroglyphics. Each pigeon establishment had a method of communication entirely its own ; and the conductors, if they fancied the key to it was in another person's power, immediately varied it. A case of this description occurred in the early days of pigeon expresses. The parties interested in the scheme fancied that, however soon they received intelligence, there were others in the market who were quite equal with them. In order to arrive at the real position of affairs, the chief proprietor consented, at the advice of a friend, to pay £10 for the early perusal of a supposed rival's "pigeon express." The "express" came to hand—he read it, and was not a little surprised to find that he was in reality paying for the perusal of his own news! The truth soon came out—somebody had bribed the keeper of his pigeons, and were thus not only making a profit by the sale of his intelligence, but also on the speculations they in consequence conducted. The defect was soon remedied by changing the style of characters employed, and all went right as before.

Within the last few years the business of the Stock Exchange has been perfectly revolutionized by the railway-share mania. The share market previously was occu-

pied by four or five distinct brokers and a number of jobbers, whose means of business were very small, but since the introduction of English and foreign railway securities, it has in some respects become the grand focus of speculative and legitimate business.

The brokers and jobbers who had the first "pick" of the market, must have made considerable sums by their commissions; the remaining brokers, who paid more attention to the other public securities, being temporarily discarded by their former customers, who in many cases were led to believe that the English and foreign stock-broker and jobber was not capable of being initiated in share business. Indeed it appears to have been some time before the veil of mystery was removed, or that the public arrived at a clear understanding on the subject. In the meanwhile, the old and respectable members of the house had the mortification to see persons who formerly had been of little reputation on the Exchange, and in several instances even their own clerks, carrying on an extensive and profitable business in shares; and as long as this lasted, there was no end to the success of those who had the sway of the market. Gradually, dealings were dispersed and spread among the whole of the fraternity, and then followed the height of speculation, engendered by the general operations of the chief part of the community. The shares of every new company coming out at a premium, induced rich and poor to thrust themselves into the market; and the schemes that were every day adopted in order to gain possession of letters of allotment which might bring a price, if the shares became popular, were of the most multifarious, and, in many instances, fraudulent description.

Such was the increase of business in consequence, that the accounts, which used formerly to occupy not more than

one or two days at the outside, nearly exhausted the week, before differences could be paid, transfers made, and the books of the brokers regularly adjusted. The extent of transactions increased beyond measure; night and day clerks were engaged in arranging sales and purchases, and conducting the correspondence which was required between their masters and principals.

Considering the time and attention required in share business, the brokers do not get too well paid; although there may be every reason to suppose that many have obtained immense incomes from it by the inordinate influx of commissions. It is said, that many brokers make daily large sums by their bargains, and during the railway mania this was really the case. The number of foreign lines introduced added to the prevailing excitement. In support of the movement which then so completely fascinated the public, it was said, "Distinguished from the reckless period of 1825 and 1826, there is this to be said for the present mania in railways—viz., that they are undertakings of national importance, which, notwithstanding they were in the first instance viewed with much jealousy and distrust, have produced results the most sanguine never calculated; and therefore the system has been encouraged not alone as an investment for money yielding high rates of interest, but also for the benefit it confers on mankind at large. The feasibility of the numerous schemes, and the elements of success they present, have, under these circumstances, raised an unanimous feeling in their favour, which, sanctioned as they have been by government superintendence and government interference, could not but contribute to feed the growing desire of the public to embark in them."

Immense sums were doubtless gained by speculation in shares, and it is almost certain that a proportionate sum was lost, though there are phases of affairs in Stock Ex-

change business which will allow, for a limited period, of the majority of dealers reaping profit when even very few losers are to be found. This, however, only occurs when a continuous rise in prices is supported, and where the public, for the most part, have gone in as buyers.

A third class of dealers, who may be said to exist on the skirts of the stock-markets, are the "little-go," or "alley-men." They are a description of people including the lowest of the low among the outside speculators trafficking in the letters and shares of railway, or any other joint-stock company that may happen to fall into their hands. They frequent the purlieus of Capel Court, the Auction Mart, and the adjoining lanes and alleys, and principally consist of broken-down merchants' clerks, decayed tradesmen who have lost money by speculation, and others, whose pretensions to honesty and character it would be difficult to describe. Visit Bartholomew Lane at any time in the year, and you will be sure to find several people of shabby exterior holding converse at the entrance of Capel Court, or on the steps of the Auction Mart. These are "alley-men." You will see one, perhaps, take from his pocket a goodly-sized parcel of dirty-backed letters, all arranged, and tied round with string or red tape, which he sorts with as much care and attention as if they were bank notes. That parcel is his stock in trade; perhaps those letters may contain the allotment of shares, in various companies, to an amount, if the nominal capital were paid, of many hundreds of thousands of pounds. They, doubtless, in his hands, are scarcely worth as many farthings: yet he makes a living on them, and is as busy as the most opulent broker in finding a buyer for his "securities."

To describe fairly the "alley-man," we must take him from the first of his career. He is generally, as we have said before, some broken-down clerk or tradesman, who, having

lost every prospect in life, chooses this description of business as a *dernier ressort*. First started in his calling, he associates with the loiterers at the Stock Exchange, where, by mixing with them, and perhaps making an acquaintance through the introduction of Mr. John Barleycorn at the tap of the Auction Mart, he is initiated, by degrees, into the secrets of the business, and before long becomes as great an adept in the sale or purchase of letters as the oldest man on the walk. When he has acquired the necessary information respecting dealing, he can commence letter-writing for shares. This is effected at the expense of a penny only for postage, pen and ink being always obtainable, either in the tavern-parlour or coffee-house he frequents. When a new company comes out, and is advertised in the daily papers, he immediately calls for a form of application, fills it up, and despatches it, with the moderate request to be "allotted" one hundred or two hundred shares, the amount of call or share being quite immaterial to him, as he never intends to pay upon or keep them, his only aim being to increase his valuable stock of letters, so that he can make a "deal," and pocket the profit, should they have a price among the fraternity. In this manner the whole of the "alley-men" write to the companies for shares, and do not hesitate to adopt all kinds of fraud and trickery to gain success. From the numerous applications which directors in these projects receive from this class of people, the names of the greater number are already known, and discarded accordingly, it being well ascertained that they only seek the shares for the temporary profit they yield. In order, therefore, to lull the suspicion of the directors, they, with their confederates, write in fictitious names, imitating influential City firms in Christian and surname, and giving false and fraudulent addresses, with assumed references of the highest respectability. Should

the "alley-man" be fortunate enough to get an allotment, he goes among his brethren and learns the price, if any, for the shares. If there are but few among them, and the letters are in demand, he may, perhaps, get as good a market as ten shillings per share, which, upon twenty, a number not unlikely to be allotted when two or three hundred are applied for, will give him ten pounds. Thus, if fortune attend his applications, he may make some little money; but yet, as the love of speculation is strongly allied with this description of business, he may, on the other hand, lose what he makes in the purchase of letters of less note and value. It is, however, not very often that this description of dealer realizes the large sum of ten shillings per share. The more current price for letters ranges from one shilling to three shillings per share; and cases have been known where sales have been effected at as low as one penny and one halpenny per share.

CHAPTER IV.

The "Little Go" *continued*—Allotments in 1836-37—The System of Allotments and the Use of the "Alley-Men"—"Stag-hunting"—Sir Isaac L. Goldsmid and the "Alley-Man"—Bill-stealers—"Doing" a Bill and also the Acceptor—Bill-stealers and their Victims—The Formation of Public Companies—The Company-monger—Directors' Fees—The Calculation of the Guineas—Doctrine of Directors on Unpaid Services.

In the years 1836-37, when share speculation took its early start in connection with railways, the "little go" was held in the Royal Exchange for two or three hours previous to the assembling of the merchants; and at this period, such was the rage for the sale of letters, that the beadles were at last obliged to drive them away, and keep the place clear, the swarms of people attending actually preventing the frequenters of the 'Change from getting to their places.

Less caution was exercised at that time in the allotment of shares than occurred during the late railway rage; but although the severe scrutiny which characterised recent allotments was of much benefit to the companies, it likewise gave the letter-dealers and their friends the opportunity of plying a more profitable trade than before. And this plainly appeared from the fact of their becoming the tools and confederates of the brokers and jobbers in the Stock Exchange, who feeling no inclination to write for shares themselves, obtain the letters these men hold, make them, for a small consideration, sign the deed (the great responsibility dreaded in these transactions), and having enabled them to pay the deposit, take the scrip receipts as their own, at a price before bargained, and so escape the risk of calls as original subscribers, while at the same time

they pocket the chief profit. This course of dealing has been engendered by the alteration which most of the companies have made in arranging prospectuses.

Under the old system the letters of allotment were transferable, and it did not, therefore, much matter who became possessed of them, so that the calls were paid, as the scrip was then the chief thing, and the signing of the deed a secondary consideration. However, under the new system, the case is quite the contrary; the letters are not transferable, and the original subscriber must pay the deposit and sign the deed. So stringent have several of the companies been in the proper signature of the deed, that they have enforced this ordeal previous to the bankers receiving deposits: hence the connection between the brokers, jobbers, and "alley-men," to the benefit of all three classes of dealers. To make this clear, it is only necessary to put an hypothetical case. Suppose B or D, as broker or jobber, wants 20 or 50 shares in a certain company: they are selling at a premium in the house, but he does not choose to give so high a price. What does he do? He at once goes into the "alley," where he is sure to meet with a dealer of the class he requires, as they are particularly fond of being patronised by the brokers and jobbers, and if he finds there are any letters afloat, he agrees perhaps to give him 2*d.* per share for the letter, 2*d.* for signing the deed, and then, by paying the deposit, he can clear the difference between the price outside and the premium inside the house. In this manner, throughout the whole of the railway and other speculations, the "alley" or "little-go" men have been of the utmost service to their wealthier *confrères* of the Stock Exchange.

"By this sort of business," a writer during the mania remarked, "a few of these people have been able to make a good thing of their speculation, without giving them

credit for what they have otherwise realized in the general rage for shares. It is indeed only in times such as the present that the majority of them can get anything approaching a livelihood; and it is singular to notice the metamorphosis they undergo, when a mania of this character comes on. Men who, six or nine months since, might have been seen with a most threadbare exterior, and countenances indicative of the greatest poverty, are now to be found in their former quarters, well dressed, mounting rings and gold chains, with an appearance which would also lead one to expect they had vastly changed their dietary tables within that period. The new foreign railways have proved a source of considerable profit to these parties, who have been enabled, in consequence of the small deposits some of these companies require, to hold a few of the shares, and take the better price a sale within the house will yield.

"Lately, one or two of the oldest of the "alley-men" have taken to a new department of business, which must in many cases have added considerably to their generally precarious income. The nature of their dealing having made them acquainted with the names and addresses of the lowest class of premium-hunters, they have become eminently serviceable in looking over the lists of applicants for shares in new companies, and are retained at a special fee for this purpose. In conclave with the directors, they go through the letters addressed to the company, and mark all the black sheep known to seek the market as soon as they receive their answers.

"Thus they render valuable assistance in weeding the companies of the most doubtful of their would-be subscribers, while, at the same time, the sources of information they possess of the disposition of the public towards particular shares, make them no less useful in other respects.

However, as few public companies would be able to come out without some of their letters getting into the "alley," the inspector, or "stag-hunter,"—as the slang phrase in the market goes,—advises the allotment of a trifling number of shares to the best of these applicants, and, in so doing, he nominates one or more of his own friends, with whom there is a tacit understanding of equal division of profit.

"These people being always ready to serve each other this way, little disagreement ever takes place in the settlement of their accounts. When the shares are allotted, in order to keep the "alley" from being deluged with the letters, the directors usually employ their inspector, or stag-hunter, to buy them up cheaply and quietly, for which he charges 3*d.* per share commission, and then these shares go to the forfeited or reserved list, as the Board may determine. All this is done with the view of keeping the company in good repute, and of supporting the price of the shares; so that it will be seen that, besides the employment of a broker inside the house for that purpose, the managers of these projects do not forget the assistance that can be rendered by the less important dealer in the 'little go.'"

When the "alley-man" is in the height of prosperity, he thinks nothing of the future; he lives well, eats well, and dresses well, and is, in his own estimation, as great as any of the other speculators. He does not confine his City attendance to the hours of the Stock Exchange, but he is at some of the neighbouring coffee-houses, both before the market opens and after it closes, having an eye to buying, in anticipation of profit.

The "alley-man," when he has a greenhorn in his clutches, talks with the most perfect familiarity of all the great people of the City, and boasts their acquaintance

with the greatest confidence. We ourselves saw this trick carried out with the most complete success on one occasion. An "alley-man," who was quite *au fait* at his business, had secured a customer for some of the "rotten rubbish" he held, but a question was raised on the sum to be paid. The merits of the bargain were being discussed, the "alley-man" assuring his victim there could be nothing better in the market, and that it was a great favour to let it go for the money.

It was the time that the metropolis was ringing with the news of the elevation of Mr. Isaac Lyon Goldsmid to a baronetcy, and that distinguished Hebrew, with a wealthy relative, was passing. "There," said the "alley-man," "is one of our directors—that's Sir Isaac." The baronet had by this time reached the spot where the conference of the worthies was held. "Good morning, Sir Isaac," said the "alley-man," with a profound bow.—"Good morning," replied the baronet, with a smile. This was enough, the contract was sealed; and the "alley-man," by the dexterous appliance of circumstances, had proved his knowledge of and acquaintance with great men of the day, and had stamped his great importance on the mind of his customer.

When speculation loses its charm, when the public have become surfeited with new companies, and when no fresh ones are started, then comes the drear winter for the "alley-man." He is obliged to turn his hand to anything; and in the absence of a more profitable occupation, descends to petty bill discounting, or rather bill-stealing.

A horde of vagabonds infest the metropolis, who, despite the exertions of the law, prey upon the vitals of humble and needy shopkeepers, by inducing them to surrender acceptances into their custody on the pretence of getting them discounted, and then, after negotiating them, decamp with the proceeds. We have heard of things of

this sort being done at the West-end; and the specious means adopted for supplying country tradespeople, at a small commission, with accommodation paper, have already been exposed at our Police Courts; but the "bill-stealing" carried on in the City among these fellows is of a much worse description.

The "alley-man," from his knowledge of business and finance matters, is a good decoy, and hence, when other resources fail, a share of the plunder will repay him. The "bill-stealers" frequent the parlour or tap-room of some of the recluse pothouses in the City, where they sometimes meet, five or six in number, and in the most undisguised and unblushing manner converse of the dealings in which they are engaged. When a dispute occurs between them, which is not uncommon, should one of the more tricky gentlemen be supposed to have taken the greatest share of certain profit, then something of a very gentlemanly character is sure to be divulged. The result generally becomes the same—there are charges on all sides of robbery and extortion connected with bill discounts, and, in addition to these, sundry intimations that it is not unlikely before long they will have the pleasure of encountering each other in Coldbath Fields, or on board the Hulks.

The mode in which these capitalists "do" a bill, and also the acceptor, may be thus explained. A poor tradesman, not having ready access to £20 or £30 for a pressing emergency, comes in contact with one of these parties, who professes at once to be able to raise, through "influential friends," a much larger sum. The bill must necessarily be first drawn and accepted before the "friend" can be asked to discount it. The bill being drawn, the "agent" is charged with its care, and promises by a certain day to meet the acceptor, and give him the proceeds.

The "agent" having possession of the bill in the mean-

while, makes the round of the coffee-houses and other places used by his friends, and if he cannot get the whole of the money, takes part, and deposits the bill as security. The day arrived when they are to meet, the "agent" makes various excuses for the delay of the discounter, and in order to allay the anxiety of the acceptor, gives him £3 or £5 on account, though such a course as this is not common, without the party is in some measure afraid of his customer. To the inquiry—"Where is the bill?" the ready answer is, "In the hands of the discounter, who has not yet made due inquiries;" and in this manner the poor creature is from time to time disappointed, till he at last finds the "agent" has decamped.

When the bill becomes due, he is sued, and, perhaps, taken to prison because of his inability to pay what never came to his hands; but as there is the bill, and he is the acceptor, that is sufficient, and "discharge the debt or lie it out," are the terms imposed. The only way is to do the best he can under the circumstances; for as the discounter, who in many cases is a party to the fraud, is generally allied with some sharp-practising attorney, a compromise is better in the first instance, than a subsequent demand for debt and costs.

Instances have occurred where unfortunate tradesmen, when caught in these toils, after being duped in the manner described, have been obliged to sacrifice their business and furniture to satisfy the claims of these harpies. In cases where they get young clerks or persons holding good or official situations in their clutches, they have even a much more powerful control, and as the premium or profit derived from this class of clients is of surer character, they do not throw them over on the first bargain. Draining them quarterly for interest on the small advances made, they eventually enforce by threats what they are not really en-

titled to, namely, by suggesting the probable result of making the principals or employers of their victims acquainted with the recklessness of their conduct, and of the manner in which they have gratified their propensities for extravagance.

The Bankruptcy Courts have, within the last few years, developed many extraordinary facts relating to the progress of a free trade in money, but none would disclose such a system of fraud and extortion as that of the description of dealers here mentioned, could the intricacies of the system be properly laid bare. It probably may be said that the law will reach such fraud. That is true; but is it not more likely that persons who have been entrapped will make every sacrifice to get rid of these swindlers, rather than appear in their company before the public?

The formation of public companies is a source of profit to some of the more adventurous of the speculators. Not many of these people receive encouragement at the hands of capitalists; but at times, when they fall in with them and get their confidence, they punish them to some extent.

The man who assumes as a calling the constitution of joint-stock associations, is most frequently looked upon as a doubtful character, who, if even to be trusted, requires looking after. He is not like an individual who, bringing a great system to bear, and having carried it out, obtains a leading appointment, and continues in the service of the company; but, in the character of "company-monger," he is merely the person who, having the idea intrusted to him, endeavours to get together a body of men who are willing, by their names and influence, to set the scheme in motion.

When the concern is established, the real "company-monger" seldom continues in it—he is paid, perhaps, a trifle for his services, and is dismissed to seek his fortune

elsewhere, by again laying before the public the secrets of other men's brains. We never knew one of these persons who professed to have been well treated by those with whom he had been connected. He was either half-remunerated for his trouble, or had been shamefully kicked out, after having ensured the success of the company.

Your "company-monger" will always profess to do anything and everything, but seldom or ever perfects his promises. If you wanted to raise £10,000 he would assure you he could get it, and at a moderate rate of interest; if you wanted to establish a company for working any project, you would find (giving him credit for all he said) that he knew the men to make a direction; if you desired to see a prospectus, he would furnish you with a sketch in a few hours; in fact, he would promise you directors, secretary, company, and funds to carry out your plans; but in the end, in all probability, you would find yourself most grievously disappointed, for neither one nor the other would be forthcoming. In the meantime, however, he would endeavour to draw as much cash from you as he conveniently could; after which there would be little exertion on his part to keep faith with you. One or two of these persons have, from time to time, been successful enough to "get out" companies, but then it has been more the result of the co-operation of the friends of the projector or inventor, than the success of the "company-monger" himself.

It is a curious, but nevertheless a true fact, that scarcely ever a project is started that has not been first heard of in the City. The advice in all these cases appears to be,—"If you have any City friends, they can command a direction and capital at once; a visit to them will ensure your scheme: if you have such an introduction, you will soon see your undertaking in full work." It seems to be forgotten that capitalists in the City, although they number

many speculators among them, have other channels for the employment of their money, and, before advancing, require to be confident of the interest-paying qualities of their investments. They seldom, without they adventure in some great commercial speculation, display an inclination to part with their cash, unless ample security is afforded.

We once knew a "company-monger" who lived several years on the success of supposed inventions, for which he was commissioned to get up public companies. He was always on the walk through the City, picking up his friends, or levying small contributions from strangers. His great resource in time of need, however, was the title which he claimed of a small mercantile publication; that, if his companies failed him, always furnished a dinner, or the means of getting one. He usually had two or three plans of joint-stock concerns in his pocket, which, if he could only raise a direction, would be sure to pay large dividends to shareholders. On one occasion we encountered him, when, after going through the list of old projects in store, he assured us that the crown of his hat contained a new one, which, when it saw the light, would astonish the whole world. He was then busily engaged in endeavouring to get a staff of directors from the highest of the merchants and bankers, and expressed himself most sanguine of success. He imparted in secret the name and title of this new and wonderful invention, but as we never saw the company advertised, or heard of a prospectus being issued, we presume that this, like many other phantoms of the kind, vanished in due course.

Many bankers and merchants derive a good income from their connection with public companies in the character of directors. Very often the public will perceive that Mr. Johnson or Mr. Thompson is in the direction of eight or

nine different companies. In that case it is certain that Mr. Johnson or Mr. Thompson is making a very comfortable revenue from such source, and quite, be it understood, in a legitimate way.

No great effort of calculation would be required to prove that several of our leading merchants, whose names stand high for credit and stability, are directors in more than half a dozen companies, and these seats returning at least £1 1*s.* for attendance on each weekly board-day, will give a rough estimate of the pickings such privileges afford.

A few of the less opulent of our knights and baronets employ their names and time, if they can obtain the appointments, in the same way, and as it is occasionally thought necessary to have a dash of aristocracy in the lists of directions, a few of them reach the desired port. The majority of directors, however, number as the chief of their rank City people; and the best of the companies, as far as they concern the metropolis, having connections direct or indirect with the City, the bankers and merchants carry off the chief of the fees payable or paid.

In some of the public companies a salary is fixed for the whole of the directors, and each receives his fair proportion, whether he works or not. When there is a right understanding between the parties this plan operates very well, because, in the absence of one director, another will accommodate the company with his presence, and so eke out the quantum of attendance. In other companies, whose affairs are supposed to have been neglected by the absence of numbers, the rule has been altered, and only the amount allowed to those who actually attend. This renders it particularly incumbent on directors to be punctual; but in many cases, more we suspect from the anxiety of securing the guinea, than a real desire to promote the interests of the company.

It is said by persons who have had the opportunity of seeing the interior of board-rooms thus regulated, that the meeting of directors under such circumstances affords a curious sight for observation. Suppose the number of directors to a public company be ten: on the board-day, at five minutes to one o'clock, the secretary takes his seat in the room, with his minute book before him, and a list of the directors' names. One or two of the directors may have then arrived, two or three others follow, and the number is made up, with the exception of two more, who just as the clock strikes the hour are heard rushing forward up-stairs at the top of their speed.

Director one (panting for breath). "Just nick'd it, egad—left Simkins three stairs below—couldn't do the landing; he says the old-fashioned staircases were never made for directors to get in time for boards. Secretary, score my name, please, and I'll trouble you for the guinea."

The door having just been gained as the clock strikes, the secretary scores the name and pays the fee, which is pocketed with all due delight.

Director two (coughing). "This is what it is to be troubled with asthma. How d'ye do, gentlemen? Smith, tick my name, please, and give me the fee; I want to be off as soon as possible, for I've another board to attend at half-past one, and shall be too late for that."

Secretary. "I beg your pardon, Mr. Simkins; if you'll just look at the clock, it's past the hour."

Director. "Oh, nonsense!—that's too fast. My watch, which I set by St. Paul's, shows it's scarcely over the hour. Come, come, give me the guinea; I must be off."

If there be a yielding secretary, the money is paid; and the directors, as soon as possible, despatch their business, some to visit their own counting-houses, and others to take the guineas at other boards. All directors are not to be

included in this description. Numbers there are who labour most zealously, and often with little or no remuneration, for the benefit of the companies they associate with; but nevertheless, it is a favourite doctrine with all boards, that the services of unpaid directors are not generally productive of prosperity, and hence the members usually look forward with hope for the period when their exertions will be recompensed by something more substantial than empty praise.

Some boards of directors have, in periods of adversity, liberally refused to receive their fees, when, by the laws of the company, they were fully justified in taking them; but these instances are rare. The most snug companies to get into for the receipt of directors' fees, are the fire and life assurance companies, and the old and well-established water companies. A seat in the councils of the Bank of England or the East India House will be sure to be followed by these, in addition to the best of the joint-stock banks, railway, or mining companies.

CHAPTER V.*

The Railway Mania of 1845—Its Progress—Board of Trade Interference—Business promoted at the Stock Exchange—The State of the Provincial Share Markets—Rapid Extension of the System—The Bubble Period—A Contrast of 1825-26 with 1845-46—The Height of the Fever—Warnings of the Public Press—The Explosion of the Delusion—Final Collapse and Dispersion of Speculators.

"THE history of the railway mania of 1845," it has been said, "is not the least remarkable among those delusions which from time to time arise to throw aside legitimate trade and paralyse national commerce. From 1842 discounts had been easy and money plentiful; the funds maintained a high rate; low interest only could be obtained. In 1844, it was remarked that there had been a larger continuance of a plentiful supply of money than had occurred in the memory of the oldest capitalists. A desire to speculate grew out of these circumstances, and England was seized with her ancient frenzy. For some time it was legitimate and confined within its proper sphere, but the desire spread; the contagion passed to all, and from the clerk to the capitalist the fever reigned uncontrollable and uncontrolled."

The extension of the railway system, which in reality commenced in 1844, was not plainly perceptible until the early part of the following year. Then there was no mistake respecting it. The great trunk lines occupied the field with branches. The public were for the while apathetic spectators. Only those who possessed original shares could obtain an interest in the new issues, and dividends

* The prominent facts and narrative contained in this chapter have been taken from the "*Commercial Crisis*," 1847-48. Second Edition.

standing well with a prospect of increase, fresh projects at length made their appearance.

In November, 1844, the state of the money-market, serving as an index, may be taken as representing the position of capital. The bullion in the Bank was £14,300,000: the notes in circulation amounted to £21,000,000. The rate of interest in Threadneedle Street was 2½ per cent. Consols were above par; Exchequer Bills (at 1½*d.* per diem) 60 premium: some impulse this to speculation. The fever made rapid advances. The abundance of money, together with the absence of profitable channels of employment, soon exerted its wonted influence. Projectors mapped out undertakings, engineers patronised them; the schemes were advertised, and applications inundated the committees.

The year 1845 opened, and in the course of January sixteen new companies were registered. These did not materially augment the speculation, but they gave fresh zest to business. The share-market was becoming more than ordinarily active, and in the succeeding three months, the number of projects registered had increased from sixteen to fifty-two for the month of April. In the meanwhile, railway progress, and the prospect of a large consumption of iron, created an immense demand for that article; so that, with the combined action of cheap capital, and the formation of these undertakings, a wild rage existed for an adventure in the various descriptions of the staple. Thus encouraged, confidence soon gained ground, and the primary and legitimate movement resulted in an overwhelming and destructive mania.

The position of the markets for public securities for January and May inclusive, accurately distinguishes the course of the speculation. All that was done by the Bank was to give a new form to their notice relative to the discount of bills and notes. Instead of adhering, as pre-

viously, to one fixed rate, a *minimum* was named (2½ per cent. being the minimum in this instance), leaving it, under such circumstances, at the option of the directors to raise their terms according to the character of the paper presented to them. The stock of bullion at the same time was steadily increasing.

Incontestable evidence was furnished that "the delusion which had seized the public" was working actively by influencing the value of all classes of railway property. There was no check, no impediment to the improvement, and the concourse of operators daily and hourly augmented. The Board of Trade having assumed the power of issuing decisions as to the particular schemes which would first meet attention at the hands of Government, furnished another potent incentive to adventure. Such was the excitement then among the speculators, that bargains were made in the favourite shares at the coffee-houses and other places of resort in the City, long after the conclusion of business at the Stock Exchange. The appearance of the *Gazette* was impatiently looked for, and its contents eagerly perused. "This form of the prevailing mania," it was observed, "is beyond the reach, of course, of all caution or control, and as all concerned have access to the important information sought exactly at the same time, this is a matter of secondary consequence. It is only those who are upon the spot and witness its violence, and the general infection arising from it, both within and without the walls of the Stock Exchange, who can form an idea of the perilous task undertaken by the Board of Trade in putting forth these decisions, and which are the fuel for this fire."

Between the months of May and June the increase of speculation was fearful. The papers teemed with advertisements unrestricted to the limits of ordinary announcements. Columns scarcely sufficed to give the world a

knowledge of each scheme. Lists of provisional committeemen, which in the beginning of the year had seldom exceeded a dozen or twenty names, now extended their length to ten times that number. Earls and marquises struggled with London capitalists and rustic landowners to add attractiveness by the sanction of their names; the needy barrister professed affection for a seat at the councils of boards, which seemed likely to bring more profit than the law, and was as importunate as most persons to be ensured that position. Numberless M.P.s, with a few aldermen, made a traffic on their presumed responsibility; the plurality churchman and the ill-provisioned curate also were not behind in the general scramble, and the lifesome sketch of the country being engaged in one universal game of hazard was without the least exaggeration realized. Never before were "such times or such prospects." The fortunes made in some few cases maddened their gainers; their success soon spread, rich and poor were alike susceptible; and the great chance was not neglected. It was a golden moment for the "alley-man," the jackall of the Stock Exchange—his perceptive faculties were sharpened, and he pushed his vocation assiduously.

The railway market had at this period become the grand focus both of legitimate and speculative operations. The attractions of scrip lavishly distributed, far outvied the steady dividends paying 3 per cent., and these, with other favourite securities, were at once abandoned. Nothing under 8 or 10 per cent. was recognised as a fair return for investment. That rate would most surely be obtained when the various undertakings arrived at completion. Hence it was observed, "capital among the daring City speculators has been of little consideration. Men without houses or homes, clerks at small salaries in banks and merchants' establishments, have as openly proclaimed

themselves buyers and sellers of the favourite shares, as if they represented their employers. The work has not only been confined to London, but it has also extended itself to Manchester, Leeds, Liverpool, Glasgow, Dublin, Hull, Edinburgh, and Bristol, in all which towns markets have been established, and as much, if not more, business transacted than in London. Indeed the whole circle of society is so entangled in the mania, that when one link goes, the weight of responsibility will be found vastly embarrassing to those who possess property that may be jeopardised by such a crisis."

The feasibility of a number of schemes encouraged the example of starting competing lines, while in addition foreign undertakings of the most questionable description were advocated, and it was boldly declared that the "railway reformation" was at hand. "Verily, railways," it was said, "are the wonder of the world! Nothing during the last few years has created so marvellous a change as the great iron revolution of science. Beneath it the features of old Christendom have become changed, and its wealth and physical grandeur augmented. Other revolutions have scattered luminous influences over the world, peopling it with the precious things of the present and the past; but it remained for the new generation of railways, aided by the presence of universal peace, to bring about one of the mightiest moral and social revolutions that ever hallowed the annals of any age. Railways unquestionably form the greatest discovery in what has been termed the century of science. They are the mightiest of all modern motive powers, and have continued triumphantly to reproduce themselves in spite of every opposition, so that we may shortly expect to hear of the great steam automaton sweeping, by means of the undeviating rail, from the steppes of the Cossack to the Indian's home. England,

Europe, and the world will soon be too small for their marchings. Omnipresence is one of the principles of their progress. Not content with making Liverpool their lineage-home, and many-sounding Manchester marked mistress of their choice, they are throwing a girdle round the globe itself, and rearing measureless dominions throughout its circuit. Far-off India woos them over its waters, and China even listens to the voice of the charmer. The 'ruined hills and broken altars' of Old Greece will soon re-echo the whistle of the locomotive, or be converted into shrines sacred to commerce, by the power of those magnificent agencies by which rivers are spanned, territories traversed, commerce enfranchised, confederacies consolidated; by which the adamantine is made divisible, and man assumes a lordship over time and space."

Such was the fever height, that north, east, south, and west, the "socializing influence" of the system was sought to be extended. Whether a town in the United Kingdom, a foreign or a colonial possession, it mattered not—the name, the locality were alone wanting to usher before the world the desirableness of the enterprise. "London was to be tunnelled, that the train might pass under her mighty heart; and colonnades were to be formed in the air, that the engine might pass over the path of the pedestrian." St. Kitt's, described in the "Gazetteer" as fifteen miles long and four broad, with mountains in the middle, whence rivulets flow, and between the high mountains dreadful rocks, horrid precipices, and thick woods, and in the south-western parts, hot sulphureous springs at the foot of them," was to be benefited by a line, the advantages of the site, though proportionately coloured, being prominently eulogized in the published prospectus. Comparisons made respecting the "spirit of speculation" which prevailed, pronounced the mania to bear "some affinity to the bubble period of

1825—26," and its progress was described as following under almost similar circumstances. "Between 600 and 700 projects for railways," it was remarked, "have appeared before the public for support within the last twelve months closely identified with English interests, while foreign schemes have poured in from all quarters. The English, Irish, Scotch, and Welsh lines, included in this list, require upwards of £600,000,000 to carry them out; and the progress of the mania is so rapid, that it is unsafe to give any estimate of the nominal amount of capital the new projects involve. Every day fresh schemes are appearing, and millions upon millions are required to support the plans proposed.

"The great difference between the speculation of 1845—46 and 1825—26, appears to be that in the one period the general principle of joint-stock companies was advocated, and in the other, the principle being well ascertained, is applied to the extension of the railway system.

"In 1825—26, the number of companies brought out for the suffrages of capitalists was about 300, involving a nominal sum of £180,000,000. They included companies for the construction of railways and metal mining, canals and locks, gas companies, insurance companies, banking companies, sugar companies, fishing companies, early milk-delivery companies, and others of every conceivable denomination. The excitement of this period is well comparable to the rage of our own day, when, exclusive of the large sum of money necessary to carry out British schemes of railway, an amount of nearly £70,000,000 or £100,000,000 is asked in contribution towards foreign projects. We trace again the same features in the present period as those manifested in 1825—26; an advance in the value of iron; an increased demand for manufactures, better prices for sugar and other articles of consumption,

and an overwhelmed and an abundant money-market. These were all the symptoms of the speculative era, 1825—26; they are again the symptoms of the speculative era, 1845—46."

"In its different phases," the railway mania was also said to manifest "much of the excitement and superstition of the previous bubble period. If in the great days of Spanish-American mining companies it was considered a fortune to possess a friend who held an interest in the Real del Monte Association, there is a parallel case with respect to those who have now any influence with the successful patrons and supporters of railways. If in 1825—26 the individual claiming acquaintance with a Kinder was expected to realize the imagined wealth of an Eldorado, he that in 1845—46 can command the nod of a Hudson, may be supposed to reckon upon unlimited premiums in all kinds of lines, whether on the broad or narrow gauge, and only find the happy phantasy dissipated after a three months' anxious longing. Every one connected with railways must have made money is the cry of the public—and so it was in the rage of 1825—26. The truth was only discovered, when the panic came when right and left the infatuated dupes were cut down as grass under the mower's scythe."

In July the number of projects registered was considerably augmented. These registrations, however, did not determine the career of the "rash spirit of speculation" abroad. Hundreds of schemes sanctioned and advertised by provisional committees and committees of management were never registered at all. Deposits and premiums were alone sought,—these, if they came, were extravagantly disbursed or appropriated for personal benefit, as occasion served, and the deluded subscribers left to relieve themselves as best they could.

It was not until a lengthened course of adventure, verging upon desperation, and characterised by every species of fraud human ingenuity could devise, that any bold attempt was made to expose this national folly. The opportune admonitions of the press were scornfully disregarded; all who countenanced their views had to maintain themselves against a battery of the most poignant ridicule; and the "oracular wisdom of the alarmists" became for a time a sort of by-word and a reproach.

The country had witnessed the notable exhibition of a prime minister having "cut the first sod" of the Trent Valley railway, had listened to the congratulations of the Government on the quantity of labour employed, and had solaced itself with the belief that the prosperity of the hour was to remain for ever undisturbed. How, then, could arguments involving the consideration of the chimerical notions of a rapid conversion from "floating" into "fixed" capital, and of "the impossibility of expending more upon public works than the surplus of the nation's wealth," expect to receive attention? So long as shares bore a high premium, so long as the gauge question brought profit to its supporters, so long as direct lines were pregnant with prospects of certain 10 per cent. dividends, and so long as "short and sure guides" were published, which promised to carry speculators "over the long-threatened crisis, should it arrive," so long "the public sympathised with a philosophical government," and interference was not contemplated.

It was shortly subsequent to this date, the ranks of promoters having gained an accession from all classes, that a fierce crusade against the public was commenced, and which partook of so much dishonesty, as to call forth the severe reprehension of the press. The fashion was then first brought into vogue of securing applications for

share allotments, in order to protect the committees from liability, but no chance of distribution existed while the project was marketable at a premium.

Still the contagion spread, and the passion of the public was stimulated by the most daring species of stock gambling that ever darkened the page of history. One authority did not hesitate to brand many of the advertised undertakings as "fraudulent," adding, "there is too much reason to fear that during the last three months, but especially during the last five or six weeks, the real object of the concoctors of railway schemes has not been to devise desirable and good lines of railway, or to start a scheme with which they really intended to go to Parliament, but, in plain language, to rob and delude the public, by getting their scrip into the market at a premium, and to rob and swindle their subscribers in particular by squandering and embezzling the deposit-money. Pettifogging attorneys and rejected engineers are the true authors, 'for a consideration,' of three-fourths of the railway schemes before the world at this moment."

Perceiving the marked alteration in the course of events, every-day conversation among the active co-operators in the movement did not now turn upon the probable result of an application for shares; it was solely directed to inquiries as to the terms of premium upon which the directors meant to bring them out. It was considered little better than a formal proceeding to write to any of the companies unless supported by strong personal influence. Senators proved stags; anecdotes were freely circulated of the large profits made by directors and committee-men, and every expedient was adopted, by high and low, to participate to some extent in the "golden vision" of the day.

Wonderful as was the excitement that prevailed, there were many who predicted that the system of fraud which the mania had engendered would ultimately prove a severe

blow to confidence so illimitedly placed in all kinds and species of projects. Absurd as a number of the schemes were, long lists of provisional committees seemed sufficient to satisfy the public of the soundness of their origin, and it was not until they were distinctly apprised of the character maintained by many of their promoters, that any permanent impression was made. The press steadily proceeded with its warnings. Exposures were also continuously published respecting the trickery adopted in the emission of shares. City bankers even did not hesitate to connect themselves with undertakings that promised a large share of premium when brought into the open market. The name of the Railway King was likewise freely used as a stepping-stone to profit by railway adventurers. The accession of Mr. Hudson to a director's seat in any particular company immediately gave a value to the line; the shares were soon in demand, and, save a small distribution among immediate friends, those who desired to possess them were obliged to purchase considerably above par.

All this time there was no restraint. The Government, having originally encouraged the movement, took no active steps to avert its consequences. An increase of the deposit from 5 to 10 per cent. on shares allotted did not in the least repress the ardour of the speculators. What was this increase compared with the prospect of gain from high and rapidly-advancing values?

A remarkable feature in the state of the mania that grew out of these circumstances, was the inordinate desire for amalgamation and leases, exhibited by the larger companies. They bought or took under management smaller undertakings promoted by rivals, at a high per centage, and guaranteed dividends varying from 4 to 6 per cent. An augmentation of capital to the extent of millions was

thus permanently effected; but strange to say, that, accompanied by the delusive bait of issues of new shares, which for a few weeks or months brought considerable premiums, these arrangements were unanimously approved; and, contrary to all law or precedent, prices went up in proportion to the amount of incurred liability. Such, therefore, was the preference for railway investment, that Consols, it was said, were daily sold to be replaced by their formidable compeer Railway Stock. The bullion in the Bank between January and June had risen from £14,800,000 to £16,600,000.

In July and August, the number of registered schemes again increased. The latter month decided the fate of the bills brought before Parliament, and September was extremely prolific. The projects then registered were 457, making altogether for the year a registration of 1,035. The press more potently than ever descanted upon the "nation's madness." Consols, all along well maintained, at last showed some tendency to weakness. The stock of bullion in the Bank began to decline, having fallen to about £15,000,000. There was an increased demand for money. October was less fertile in schemes than the preceding month, then only 363 were registered. The Bank it was said would raise the rate of interest, and the Government was almost suspected of risking the responsibility of such advice, with the view of checking the hitherto uncurbed violence of the mania. The railway press caught up the rumour, but professed to feel no apprehension that any measure of the sort would be carried out.

One journal said—"The conduct of the Bank of England, since the new system of banking has been in operation, must be admitted to have been unexceptionable. Many have allowed themselves to imagine that, acting

upon some sinister hint of the Government, the directors might have been induced to make money scarcer by the adoption of a higher rate of interest; but this would appear to have been an idle and merely speculative notion. Sir Robert Peel having declared in his place in Parliament, that it was the intention of Government to give every encouragement to the extension of the railway system, and the declaration of the minister having been responded to in the manner witnessed, any interference on the part of the Bank of the nature of that alluded to, could only be justified by a pressure of circumstances that is not at present to be recognised, and of which, if the same prudent course be persevered in, there can be no reasonable apprehension. The directors have only to proceed upon the principle that they have done, and no difficulty will result. But if, indeed, it should be their pleasure, or rather the pleasure of our Government, that the various railway schemes which have been set on foot shall be strangled by a curtailment of the circulation just as they are advancing to maturity, a heavy responsibility will be incurred. Nothing of the kind is, however, to be expected. The Bank coffers are full to overflowing of metallic treasure. The establishment has fifteen millions of gold and silver bars and coin, and, all alarm with regard to the harvest having passed away, the enormous mass will remain undisturbed where it now lies, not an idle and useless body, as some political economists would pretend to say it is, but in the most efficient state of vitality, since its paper representatives are spread over the whole face of the country, and in all respects better perform its active functions than it could do itself."

These sanguine expectations, however, were not fulfilled. The influx of adventurers into the public market was more than ever apparent. In the early part of October

no doubt was entertained of the increasing value of money, and on the 16th, the Bank directors advanced their rate to 3 per cent. In Lombard Street higher terms were demanded. There the more current quotation on first-class paper was $3\frac{1}{8}$ to $3\frac{3}{4}$ per cent.

Although the great host of share speculators at first treated the Bank's advance with indifference, it was not long before the price of securities underwent considerable change. In prospect of the amount of capital to be deposited with the Government under legislative enactment, it was seen that a continuous demand for money would in all probability ensue, and hence arose a cause for substantial anxiety.

The latter end of October, 1845, will be ever memorable for the commencement of the panic in the share-market. The animation of speculators was suddenly arrested. Consols, which towards the end of September were quoted at $98\frac{1}{4}$, had gradually declined to $96\frac{1}{2}$; and Exchequer Bills from 47*s.* premium had fallen to 38*s.* premium, the markets generally presenting an unsatisfactory appearance. At this period the leading journal again addressed its best energies to the exposure of the "hazardous delusion" which had fallen upon the country, and a prophetic voice advised "a shortening of sail, as the storm was at hand." Speedily this ominous prediction was verified—many of the schemes dropped, as if by fell enchantment, to a discount, and the prices of all kinds of shares hourly became further depressed.

The anxiety to "get out" had not then taken the form of that indiscriminate and spasmodic rush known as panic, but, nevertheless, it had reached a point sufficiently intense and general to create serious alarm for the future. As was naturally the case, London experienced the first effect of the revulsion; but Liverpool, Manchester, Bristol,

Leeds, Edinburgh, and Glasgow soon evinced sympathetic action. At all these great marts,—where share speculation had been encouraged to an extent vastly disproportionate to the means of the parties engaging in it,—the failure of confidence was immediately responded to by a heavy declension in prices.

When the question of the Government deposit presented itself in its true light, the shock was most terrific. Calculated at a sum which fortunately it never realized, the multitude took alarm; since even the most prudent then saw, making allowance for over-estimates, that an enormous amount of capital would be temporarily withdrawn from active circulation.

The event so long prognosticated had come to pass. From one end of the kingdom to the other the tocsin of alarm resounded. The panic shout was scarcely universal, but terror nevertheless palled the hearts of the stoutest and boldest. Danger was apparent, and every one sought safety from the ruin which it was evident must fall somewhere. Indefinite as was the belief respecting the course the crisis would take, it was clearly foreseen that an enormous depreciation would occur in the value of all shares. August marked a high advance in the prices of the various descriptions. October, in comparison with that period, showed on the average a startling fall. The bullion in the Bank was further declining; the stock in both departments on the 25th of the last-mentioned month having receded to £14,000,000.

The active progress of share-gambling may be said to have received the first efficient check at this date. New schemes were no longer regarded with favour; the registration of projects, reckoned by hundreds, sensibly declined, and were at the end of the year altogether suspended; promising undertakings, which feebly supported a

premium, soon gave way and were placed at a discount; and the whole fabric of speculation found itself shaken to its very centre.

The month of November progressed. The time drew nigh for compliance with the orders of the Board of Trade. Strenuous exertions were made by the various companies to achieve the desired end; and expense was not spared to procure the required aid for completing the necessary plans.

From this date forward serious obstacles interposed to a resuscitation of the mania. Sanguine as had been the anticipations entertained on this point by the majority who had engaged in share-dealing, little time elapsed before it was clearly apparent that the state of business was past immediate hope of recovery. It was not only the present difficulty experienced in arriving at a perfect condition for the authorities of the railway department, but also the prospective one, even should compliance in that respect be effected, of lodging the deposit-fund with the Accountant-General in Chancery, as an earnest of the *bonâ fide* character of the undertaking. Attention being much directed to this latter circumstance, and money gradually becoming scarcer at higher rates, the value of Consols and Exchequer Bills declined. Already operated upon by what had been considered a kind of preferential investment, viz., guaranteed railway stocks, and railway bonds and debentures, these securities felt strongly the effect of the apprehended call for capital, to make good the large amount payable in the early part of 1846, on behalf of new companies seeking parliamentary sanction.

Notwithstanding it was soon ascertained that a considerable number of the undertakings were lost, at least for the next session, owing to non-compliance with the regulations of the Board of Trade, "that incubus—the question

of railway deposits," continued to be described as "weighing heavily upon the public mind." The amount of these deposits, originally calculated at between £20,000,000 and £30,000,000 on the number of schemes promoted, underwent a sensible reduction, when, out of the 1,263 companies which made an attempt to arrive at that position, not more than half were successful. Of course it was not for one moment imagined, taking these enormous figures, that the whole of the schemes would be prepared to give in their plans and sections as stipulated; but nevertheless, regard being had to the safety of trade, it was considered a triumph, particularly by those who had ranged themselves under the banner of the "alarmists," to know that the proceedings of a large proportion had signally failed in their first essential stage.

Between November and December the stock of bullion in the Bank underwent some change. From about £14,000,000 it declined to about £13,000,000, but again slightly increased towards the end of December, when it stood at £13,325,000. The fluctuations in public securities had mainly occurred, as already stated, in the cases of Consols and Exchequer Bills. A number of the most ephemeral schemes had been swept from existence; the horde of petty gamblers usually infesting the alleys of the Stock Exchange had dwindled into insignificance, and much of the distracting madness which so alarmingly characterised the autumn of the year had altogether passed away. Original undertakings once more held up their heads. Henceforward it was to be their day. A sudden reaction in most of these shares was considered indicative of the favour they maintained; and it was prognosticated that the market, when relieved from the superabundant mass of rubbish which inundated it, would shortly be restored to a proper condition.

No sooner had the first effects of the panic subsided, than a movement, as startling as it was novel, commenced. At the time the October reaction brought down, with unprecedented violence, the value of all railway securities, a number of companies had been but recently brought into existence. These having issued their prospectuses, were receiving in return applications for shares. Acting upon the widely-disseminated principle of watching the turn of the market, whether favourable or otherwise, the committees anxiously delayed allotments. With the cupidity distinguishing persons placed in their position, they desired not honestly to set their undertakings afloat by subscribed capital from the public, but to increase their own share of profit from the premium which their several projects might command. The result of their patience was suicidal. The revulsion came, and their market was irretrievably lost.

The struggle for allottees at length arrived. In the full assurance of enduring stability in prices, numbers had unhesitatingly made application for a portion of the supposed distributable shares. Knowing the large reserves made by committee-men, etc., for themselves and their friends, applications were generally tendered for a considerable quantity, in order that, if the shares were distributed at all, some allotments might be secured.

In the period intervening between the close of 1845, and the commencement of 1846, the majority of embryo companies, seeing it was useless to look for any revival, and "discounts" being more frequently quoted in the share lists than "premiums," abandoned all further reservation, and letters of allotment poured in upon the unsuspecting applicants in the most liberal manner. Suddenly availing themselves of the power vested in their hands by the terms of applications, which bound the allottee to accept whatever number might be appropriated to him, and also

to pay deposits upon and sign the deed for the same, the various committees endeavoured to shift all personal risk from their own shoulders to those of their unfortunate victims. Persons therefore, who perchance had written and pledged their responsibility for 200 shares in a particular company, with the expectation of getting twenty or ten shares, or, as had been previously the case, not more than five shares, were, without further prelude, honoured with the whole number first applied for.

The principle adopted in the early progress of the mania, of "cutting down" applications to one tithe of what were sought, and which had been rigidly recognised throughout its preceding stages, was now altogether discontinued. Deposits were demanded, and legal proceedings threatened if they were not paid. Allottees in most instances refused to comply on any terms. It was much questioned whether the committees could enforce these claims, and their various attempts to cajole the public were valiantly resisted. Companies who had failed from non-payment of deposits, only asked for small subscriptions in liquidation of expenses. Others, less matured, pledged themselves so to economise expenditure, as to deduct but a small amount from deposits when paid, and proposed even to restrict outlay in some cases to 3*s.* and 4*s.* per share. But even these alluring promises were unavailing, and schemes continued to disappear.

Concurrently with these events the "deposit question" occupied the attention of capitalists. February was the period fixed for the payment, and since the reactionary spirit had worked out numbers of projects, between £12,000,000 and £14,000,000 was the sum which it was estimated would pass to the account of the Accountant-General in Chancery for that purpose. The latter amount approximated nearly to what was paid in England, Ireland,

and Scotland. Of this sum upwards of £11,000,000 was deposited directly through the Bank. The current value of cash then was 5 per cent. This grand difficulty surmounted, more ease was experienced in the money-market, and rates again declined.

But while in this respect less fear was exhibited by those more immediately connected with the financial concerns of the country, on the other hand, new cause of alarm arose in consequence of the active litigation carried on between directors, provisional committee-men, and shareholders. Cases were argued and verdicts given for and against the several parties interested. Woolmer *v.* Toby, a cause tried at Exeter, settled the liability of allottees. Then came the one known as Walstab *v.* Spottiswoode, in which it was decided subscribers could demand a restitution of deposits, if the undertaking they supported was not proceeded with; and the confusion then became desperate. In addition, engineers, tradesmen, etc., who had been employed by the companies, were striving for an arrangement of their accounts, and getting impatient and annoyed by decamping directors, and the reported irresponsibility of provisional committee-men, sought redress by legal interference, and so increased the current of commotion. "The time is come," it was jocosely remarked, "for the practice of that equivocal recommendation conveyed in the words 'every man his own lawyer.' What was once a satirical idea must soon become a serious reality, or else we are all undone. Unless the public will learn the terms of art and plumb the deep profundities of legal form, master the mysteries of rules *nisi* and absolute, and understand the difference between verdict and judgment—unless they will give themselves up to the study of Tomlin's Dictionary, or spend a few pleasant months within a lawyer's office—why, it seems to us, that this poor public is lost, quite

lost." And the truth of this could not be denied, since, what with conflicting decisions and the undefined state of the law, perplexing difficulties were started at every fresh step.

Besides the litigation encouraged, the meetings of expiring companies afforded scenes rarely witnessed in well-ordered society. Directors and committees were found in their collective character to have forfeited all claims to honesty, illegal traffic in shares proved in several instances the least reprehensible part of their conduct; and frauds and forgeries became, in some cases, subjects of criminal investigation. And thus they not only pandered to their own selfish appetites, but they also suffered the costs of lawyers and other professional attendants to make so great an inroad upon shareholders' deposits, as to leave but little for subsequent distribution.

Under the attractive title of the "Progress of Exposure," one of the railway papers rendered weekly an account of the reckless proceedings of the bubble companies, and unflinchingly held up to public odium the adventurers who had profited by their existence. Share-gambling having been wholly arrested, the hollowness of the system was shortly made manifest. Some directors and committee-men, finding the prosperity of the mania at an end, sought to avoid responsibility by advertising themselves as unconnected with any undertakings; others, judging this plan inexpedient, and considering "responsibility and payment" were not terms synonymous with "fees or premiums," quitted for the Continent, with the proceeds of their operations; while some, compelled by the pressure of circumstances, and inability either to pay or take flight, willingly submitted to individual incarceration, with the anticipation of the friendly interference of bankruptcy or insolvency to free them from liability.

A report issued about this time from the Board of Trade, demonstrated in the most palpable manner the fertility of invention among the promoters of joint-stock companies. Railways, patronised as they were, had not been suffered to occupy an exclusive monopoly. "This mirror of national hallucination" (as the document was described), "when every bubble was invested with a value as the true offspring of English joint-stock genius, shows the progress of the evil of a plethoric speculation, without at all unveiling the disastrous and uncalculated consequences of the period—consequences, which can only be thoroughly arrived at by visiting Whitecross Street and other debtors' jails, half peopled with projectors and speculators, who have sported in the late railway game." This assertion did not long remain unexemplified. Proceedings in bankruptcy and insolvency every now and then disclosed striking facts connected with the ravages of the mania, and the majority of balance-sheets and schedules filed in the respective courts contained heavy accounts of "losses by railway shares."

And now we approach the important period when the Legislature found it necessary to interfere for the relief of the public, and to adopt measures for at once determining the dissolution of the numerous companies left as the great wreck of this speculation. From the commencement of the session continued appeals were made to the ministers as to the course they intended to pursue.

It was in April, 1846, that Lord Sandon, from his place in the House of Commons, determinedly called the attention of the then Premier, Sir Robert Peel, to the question. "The present condition of the money-market," said the noble lord, alluding to railways, "is very different from what it was when these companies first came forward, and there is now a great desire on the part of those who have

embarked in these projects to retire; but, notwithstanding this desire, it is a question whether, by the rules of the House, they are enabled to fulfil their wishes. Not only is the question of importance to the few shareholders concerned, but every one is either directly or indirectly concerned, even though he may have been unconnected in any way with railways. The present state of things affects every branch of trade and commerce. In the first place, there is injury from the mere blocking-up of the deposits; in the next place, there is the apprehension of success, for success is no longer wished for but apprehended; and in the next place, the whole of the railway projects which have already received the sanction of Parliament are affected, and the directors are unwilling to make calls for their completion whilst the market remains in its present condition.

The discussion once pertinently raised, the subject was entered into without delay, and Sir Robert Peel, in propounding the measures which Government proposed to effect a dissolution of abortive schemes, entered into details.—"I find," said the right honourable baronet, "that in 1844, the number of railway projects which received the sanction of the Legislature was 37; that the capital authorized to be raised by those acts amounted to £13,981,000; that the amount of loan capital, as distinguished from share capital, authorized to be raised amounted to £4,006,000, being a total amount of share and loan capital authorized to be raised by the bills passed in 1844, of £17,987,000. Then I find in 1845 the number of railway bills passed was 118; and the share capital authorized to be raised by those acts amounted to not less than £45,849,000, whilst the amount authorized to be raised by loan, in addition to the share capital, is £14,635,000, making a total amount of capital authorized to be raised by the acts of 1845, and

applicable to railway enterprise, of £60,484,000. I have called for a return of the number of railway bills which, on the 11th of April last, were under the consideration of this or the other House of Parliament, and I find that the number of English bills amounted to 369; of Scotch bills, 107; and of Irish, 43—making a total of 519 bills, which, so far as the public records can be relied on, are bills in respect to which the decision of Parliament must be given. I find by the English bills that capital to the amount of £184,700,000 would be raised, supposing all those bills received the sanction of Parliament, and that in addition, under the same bills, loans to the amount of £58,000,000 might be raised. By the Scotch bills, capital stock to the amount of £28,500,000 might be raised, and loans to the amount of £9,500,000; whilst by the Irish bills, £18,104,000 capital stock could be constituted, and loans to the amount of upwards of £5,000,000 would be sanctioned, making a total of capital stock authorized to be raised by the bills for England, Scotland, and Ireland, respectively, of £231,302,000, and of capital to be raised by loans, of £72,781,000, being a total of capital authorized to be raised by bills pending in this session, independently of the unpaid capital of the acts sanctioned by Parliament in 1844 and 1845, of £304,000,000. I know it would be quite illusory to rely upon that as the amount of capital which would be actually required. Many of these are competing railways, and many are the bills the passing of which would be quite unnecessary for the public interests; and therefore, although I state £304,000,000 to be the total amount of capital which, if all these bills were sanctioned, would be authorized to be raised, yet a very great deduction must be made for many of them which Parliament would reject, and many of them which would not go on; but still, make what deduction you will, the total

amount of capital, were there no interference at all on the part of Parliament,—if we are entirely passive,—that will be sanctioned in the present session, will be much greater than that which I think it would be essential for the public interests should be raised for railway speculations."

Three considerations, Sir Robert said, he thought should have weight with the House and induce the members to concur in the suggested plan. These were—first, the enormous amount of capital which, with whatever deduction might be made from the number of bills, must be pledged to railway engagements in the course of that session; secondly, the increased cost of articles required for the construction of railways; thirdly, the difference in the current value of shares from that which they bore when the undertakings were originally projected. Of the desire of the large body of subscribers to inchoate schemes to release themselves from responsibility, he said, he was perfectly cognizant, and regarding with consideration the fact that their liabilities in the aggregate were enormous, and that the powers of directors and provisional committeemen were great, unaccompanied by effectual control—a circumstance which had led to the commission of great abuses—he believed that some interference on the part of Parliament was required.

That Sir Robert possessed good information relative to the practices of the governing bodies is amply proved, when he quoted a communication which he had received disclosing their unprincipled manœuvres.—"One of the great deceptions of the new companies," that is, schemes formed by provisional committees, inviting persons in all districts of the country to commit themselves as partners of companies hereafter to be established, "has been the holding back of large portions of the shares for the purpose of rigging the market, and pocketing premiums at

the expense of the public. I will instance a few out of the countless number of the railway rigs that have been played. In the ——, only 42,000 out of 50,000 shares, I understand, were issued, the other 8,000 being kept back, though the shares were at a high premium, and applications out of number for them. In ——, 10,000 out of the 100,000 were reserved by the directors above the number paid on. —— had only 55,000 out of 100,000 shares issued, though the shares were also at 1½ to 2 premium. There are some facts connected with this line I could not trust on paper. The —— reserved an enormous number of shares, notwithstanding hundreds of thousands more than the whole number of shares in the company were applied for. In the ——, about one-half the shares were kept back, the market rigged to £6 or £7 premium, and then certain of the directors sold to their friends, as favours, shares at, I believe, 3 or 4 premium; a part of which premium they were compelled to give back on the breaking-up of the company." But the last is the most extraordinary of all. "In the ——, several thousand pounds of the deposits were taken out of the bankers' hand to rig the market. These are a few of the cases. That is to say, the shareholders and scrip-holders in these schemes having paid £10 per cent., there was a sum of £20,000 paid into the bankers, and I am told that that money was taken out and invested in the purchase of shares wherever shares could be got,—that, in consequence, the shares rose to very high prices, and then the reserve shares were sold in the market at higher prices—that higher price having been obtained in consequence of the application of the deposits, and the directors having pocketed the premiums. I was told this day that this was a fact: that a gentleman, and, to my surprise, a lawyer, applied to a certain committee for some shares; that he was told by the company all the shares

were gone—there was not a share left; but upon further inquiry he ascertained that not a single share had been issued, and yet the answer universally returned was, that all the shares were bought up, and that was for the purpose of taking advantage of the impression on the part of the public that the shares were in such requisition, and then the shares were issued."

The addresses of Earl Dalhousie in the House of Lords were equally convincing, if any person required additional testimony to his own experience. Unfortunately few of the public desired more than such knowledge to satisfy them that it was imperatively necessary for Government to interfere. If any had themselves wholly escaped the meshes of the general ensnarer, the lamentations of relatives and friends soon brought home conviction.

The views enunciated by Lord Dalhousie were received with the same attention as those expressed by Sir Robert Peel, and notwithstanding the Government did not wholly escape from blame, for the want of proper vigilance in restraining the general current of the speculation, still the act they proposed to bring into force was hailed with satisfaction, as one tending to put in course of arrangement outstanding differences between parties respectively interested in the numerous suspended companies. The Scotch had the credit of giving the first indication of the approaching distress in the railway world; and they were fully entitled to it. None were more eager, in the early days of the mania, to profit by the inflation of prices; but as soon as the reaction came, they manifested much apprehension for consequences, and made every possible attempt to unshackle themselves from their enfettered condition. The Act, since universally known as "Lord Dalhousie's Dissolution Act," was then passed, and its provisions were immediately brought into effect.

As far as the intent of the Government measure was concerned, it could not be said to be altogether unproductive of benefit. It was some time, however, before its action was admitted to be satisfactory. Under its process, attempts were made by directors and others, whose management would not bear investigation, to over-ride the decisions of scrip-holders by a forced system of voting, arising from the use of unappropriated shares. Another class of speculators, scrip-holders, who had purchased at very depreciated prices, also exercised their right or presence purely with the intent of breaking up companies whose remnant of deposits, it was calculated, would yield a larger distribution than the market-value of the shares. Thus it will be perceived that, throughout the several phases of the mania, the distinctive features of fraud and chicanery were prominently presented, and that in the grand drama, each change of scene was accompanied by incidents as remarkable as any which had already preceded them.

Distressing as was the havoc, made manifest from the course of liquidation pursued under legislative authority, and highly culpable as were the proceedings of the greater number of the companies, whose affairs, stripped from all concealment, were exposed to public notice, yet there was some slight gratification experienced when, in the midst of all this alarm and confusion, it was discovered that the Act, as it came steadily into operation, furnished the means of escape, though unfortunately at a great sacrifice. But the sacrifice was not caused by the operation of that measure, which, despite the opinion expressed by its adversaries, unquestionably was, in the long run, productive of much relief. The extravagance of engineers and solicitors, and the large costs incurred for surveys, parliamentary proceedings, and compliance with other requisite formalities, and losses on the Stock Exchange, occasioned by

"running prices to a premium," were, when taken together, fairly chargeable with the absorption of the funds which were subscribed.

The great executive staff of projected undertakings, hydra-headed as they were, swallowed without compunction the chief of the deposits when paid. Payments to promoters, of £10,000 and £20,000 each; engineering charges varying from £30,000 to £100,000; parliamentary and law expenses for amounts in proportion to the nature and magnitude of the scheme, most of which disbursements were arranged in anticipation of receipts, besides other incidental items, all swelling the grand total, constituted the catalogue of claims dischargeable from that source. Under such circumstances, was it to be supposed that, in case of dissolution, the return to the subscriber would bear any comparison to the original sum intrusted to the custody of a managing committee?

Unveiling, as Lord Dalhousie's Act did, the most nefarious transactions in companies where deposits in full, or nearly so, had been freely placed at the disposal of such irresponsible bodies, the worst results were to be expected; but as the mischief was done, and what was more, the money had disappeared, the dilemma could not well be avoided, since the alternative of attacking the most influential directors left but a sorry prospect of success, they having either beggared themselves, or cast aside the mask of respectability, and thus placed it out of the power of dissentients to make them amenable for their acts.

And now at the termination of this eventful period, embracing within little more than two years the general circumstances identified with the progress of the railway mania, it is perhaps fitting to glance rapidly at what may be properly conceived its prominent characteristics and consequences.

No one will, it is thought, attempt to controvert the assertion that an almost unexampled abundance of money, combined with the profits derived from this class of investment, encouraged in the first instance the extension of the railway system, and that subsequently the mania itself was fostered by the daring spirit of speculation, which at all times distinguishes a nation like the English in the cherished pursuit of commercial adventure.

Again, it must have been almost universally perceived, long before the mania subsided, that its altered aspect could not fail to bring with it results, which, if less dangerous than those following "the panic period of 1825," must nevertheless be productive of much inconvenience and distress; and yet, in the face of the experience afforded by the history of similar "financial delusions," so great was the madness of all classes that, from the peer to the peasant, few ultimately escaped unscathed.

CHAPTER VI.

The Royal Exchange—The Building—Its Altered Appearance since the Fire—'Change and its Frequenters—Hours of 'Change—The Foreign Exchanges and the Dealers—The Rothschilds—Sketch of the Brothers—Their Mode of Business—The late Mr. Rothschild and his Wealth—The Barings—The Salomons and other People on 'Change—Characteristics of 'Change—Lloyd's Coffee-house—The Business of Lloyd's—The Subscribers' or Underwriters' Room—Lloyd's Books—Opening of the Rooms—Underwriting Vessels—Description of Underwriters—Speculative Underwriting—"Good Books" and "Bad Books"—The Merchants' Room—The Captains' Room—Mr. T. Ward—Mr. Joseph Somes—The Chart Room.

Everybody knows the origin of the Royal Exchange, and for what purpose it was instituted; everybody knows that Sir Thomas Gresham, one of the most successful and enterprising of our merchants in Queen Elizabeth's time, built it for the convenience of his brethren of the City of London in the transaction of their business; but it is not everybody that understands how that business is now transacted, or who are the individuals representing the great commercial interests of the present day.

The Exchange has altered within the last seven years; first, by fire, and secondly, in appearance. Instead of the old massive building, with its firm oaken benches, for the accommodation of those who were tired of pacing the ambulatories, and its walls extensively illustrated with placards of ships about to sail, of goods to be sold, and lists of the sworn brokers of London, we have now a large and sightly building, with walls redolent of colours, exhibiting in the encaustic process vases filled with fruits and flowers, gay, indeed, but not universally admired by men of business or connoisseurs in architecture.

'Change, in its old character, has gone; there is now no fearfully sonorous bell, the beadles are themselves resigned, and all wears the aspect of peace and mildness. The hours of 'Change are also altered, and we were almost going to say the "walks" too; for without the public are perfectly acquainted with the arms of the various foreign countries, they will have some difficulty in finding the quarters of their friends, the old-fashioned plan of exhibiting the names of "Hamburg," "French," or "Greek" walk having been done away with in the new building. There are, however, the same old favoured spots, changed though they be in appearance; and notwithstanding we have lost the great Rothschild and a few other ancient faces, many continue who have for years visited the spot, and who seem as well accustomed to business habits as heretofore.

The younger Rothschilds occupy a pillar on the south side of the Exchange, much in the same place as their sire stood before them. The Barings, the Bates's, the Salomons, the Doxats, the Durants, and other influential merchants, still come and go as in olden days; and though a few sarcasms may occasionally be launched against the singular appearance of the painted walls of the interior ambulatories, it is not discarded as a place of business by those whose necessities bring them to it.

The rapid improvements that time makes in all things, have vastly altered the inside of 'Change. Separate places are set apart for the announcement of ships sailing, or quack advertisements, and the walls have ceased to display that immense amount of information which formerly could be gathered from them. The little shops in the neighbourhood even seem to have suffered, and the clearance of Sweeting's Rents, and the piazzas round 'Change, have apparently deprived them of much of the business

they before transacted. Nobody, however, can complain of the general appearance of the Royal Exchange. As a building, it reflects great credit on the architect, and must hand his name down to posterity; but, as far as the wants of the merchants are concerned, there is an absence of that air of comfort and steadiness about it, which detracts from it as a place of commercial resort.

The hours of Change—as regulations lately instituted enforce—are from half-past three to half-past four, p.m., a period when the merchants and others connected with mercantile affairs meet together before the close of the business of the day. The different interests are severally divided, and hold, almost by prescriptive right, a particular spot where their members meet, and these are called the "walks,"—such as, for instance, those we have named in the introduction, or the "Mediterranean," the "German," the "Spanish," or "Portuguese" walks. Here parties discourse of the latest events; failures, if there be any; recent contracts for goods; last-quoted prices, and general business.

The two great days on 'Change are Tuesday and Friday, and then the full force of the mercantile interest is in attendance, as the operations which regulate the foreign exchanges are on these occasions concluded. On these days the Messrs. Rothschild arrive on 'Change about half-past three or a quarter to four o'clock, and take contracts for bills on foreign places from or with other exchange-brokers, the bills being given in payment for goods shipped to all quarters of the Continent. These bills are purchased or sold, as the requirements of the operators render necessary; and hence a fall or rise in the exchanges on the various points, as the scarcity or abundance of paper may happen to preponderate. When a scarcity exists, and few takers are to be found, the rates of exchange fall; when

there is an abundance, the competition of purchase causes an advance.

The Rothschilds are the greatest operators in foreign bills, their connections on the Continent absorbing, we should say, by far the largest amount of the paper so offered. It has been stated that their dealings in the foreign exchanges exceed an amount of £100,000 per week. Since the death of the father, the sons have carried on the business with great success. They are three in number, and usually attend 'Change together; always two of them, if not three, are at their accustomed place. The Baron Rothschild, the eldest, appears to be nearly forty years of age; the other two brothers seem between thirty and thirty-eight. Once having seen the father, there is no mistaking the sons; the same peculiarity of Hebrew visage and heaviness of physiognomy, the same rotundity of person, the same apparent aptitude for business, mark the family, their race, and dealing.

It is understood that they are in all respects able representatives of the firm they manage. In their business habits there may, perhaps, be a little more show of "proud imperiousness" than was customary with the father, and this may arise from their consciousness of wealth. The father was, in great part, the constructor of his own fortune, and therefore had not imbibed the prejudice of persons born with overflooding riches; which is precisely the reverse of the case with the sons. This is stated of them in some quarters, but there may be no solid foundation for the assertion, and envy may have raised the rumour for the gratification of a certain pique.

The wealth of the house is very great—it would, indeed, be indiscreet to venture an estimate. The loans in which the partners are concerned, the dividends they pay as the contractors for many of these, and the extent of interest

they have in almost every money operation on foot abroad, are a few of the items illustrative of their immense resources. Their father made a considerable portion of his wealth by his speculations in the public securities; but his sons, it is said, do not transact a tithe of the same description of business. They almost wholly confine themselves to the more legitimate operations of foreign bankers, and perhaps are the safer in the long run for it.

Mr. Rothschild himself, notwithstanding the extreme success of his dealings in this respect, was once or twice nearly seeing his fortune shattered. However bad appearances might occasionally be, and however much he feared the result of his ventures in consequence, a change in circumstances always happily rescued him at the moment when there seemed to be no other than the dismal prospect of a heavy loss before his eyes. His sons appear less inclined to follow his example; and though they have turned their attention to foreign railway shares, it is more, we should think, from the attraction of their position as bankers, than a desire on their part to carry out any extensive speculation.

The business of the Rothschild Brothers is carried on in palatial counting-houses in St. Swithin's Lane, King William Street, and the establishment consists of between thirty and forty clerks. On entering the place, you at once perceive the activity of the several departments, and are impressed with the notion that, after all, the amount of wealth concentrated in the firm is turned over with extreme facility, considering the perfect freedom with which the dependants of these great capitalists go about their duties. But the difference is this:—we are not in the sanctum sanctorum where calculations are made, where the brain is at work, devising schemes for the future increase of wealth, and where instructions are given for perfecting those weighty operations for which the house is

so famous; or else we might be able to describe a little of the labour and a little of the energy required in giving the first impulse for working out these transactions. Sealed doors are here, and prying curiosity dare not look in.

The other great people on 'Change, beside the Barings and the Bates's, the Doxats and the Salomons, are the Crawshays, the Curries, the Wilsons, and a number of other gentlemen, all of whom represent establishments of long standing. The Barings, the Salomons, and one or two others, are, like the Rothschilds, engaged in large monetary operations. The Barings are eminent for their immense connections with America. Two members of the family have secured parliamentary honours, and Lord Ashburton was formerly a partner in the firm. Lately the house has identified itself with loan operations, and has commanded a proportionate success. The last £5,000,000 advance to Russia was contracted through its agency.

The Salomons are known from their connection with Dutch finance. The father, who has died within the last few years, was remarkable for his very Jewish appearance, and indeed was more to be compared with an itinerant dealer in old clothes than a merchant and money-changer. To see him toddling down Bartholomew Lane, towards his offices in Shorter's Court, Throgmorton Street, with his crutch stick, his bent back, and close-cut grey beard, one would have thought, giving him credit for his decency of dress, that one of the more respectable of the class of Cutler Street or Rosemary Lane dealers was on a visit to his broker to invest a trifle. Although thus strange in his appearance, the elder Mr. Salomons was by no means parsimonious. He provided liberally for his friends, assisted many of the needy of his persuasion, and is esteemed as having been a kind-hearted and benevolent

man. Mr. David Salomons, his son, upon whom, in later years, the weight of the business of the house has devolved, is ambitious for parliamentary and civic honours, both of which he has recently attained. He has laboured zealously for years, in and out of the metropolis, for the emancipation of his sect from civic disabilities. As a man of business, and one who steadily pursues a path of honesty to arrive at an end, he is one of the best specimens of the class to which he belongs.

There is only one mistake about Mr. Salomons, which is, that he thinks himself an orator. This is unfortunate, as the ambition of the gentleman is for that which he can never attain. Although possessing commanding height, and some slight intelligence of countenance, his natural defect in voice is a difficulty which we fear he will never be able to surmount. Mr. Salomons would, no doubt, make a good working or fagging man for a party, but a position in the school of eloquence would be denied him. The age of Mr. Salomons must be upwards of fifty. He is a very gentlemanly man, and among his friends possesses the reputation of being charitable and considerate. His business, we should say, is a matter of lesser consequence to him now than the career of politician which he has adopted.

Of the old faces we used to meet at 'Change, many have disappeared. Mr. Page has gone; Jeremiah Harman is no more; and James—old James Wilkinson, has not long since departed.

These are a few of the characters traceable in the immense multitude that frequent 'Change, and assemble to transact business with each other. The banker and the merchant, with the broker and the dealer, all are there, each busily engaged among his several friends, and the one with the other moves in his course of trade without fear or trembling. If there is a place where all are equal, and the dis-

tinction of wealth is unknown, it is on 'Change. The small jostle with the great, heedless of right or might, and the concerns of the one weigh as heavily as those of the other, in the breasts of the individuals affected, and of those with whom they have dealing. The scene of 'Change during active business is a sight worth witnessing even by those who have every opportunity, and yet neglect it.

The business of Lloyd's Coffee-house, so celebrated for exclusive information relative to shipping, has for a long period been conducted in a suite of rooms in the upper part of the Royal Exchange. Lloyd's is, perhaps, the oldest collective establishment in the City. It was first under the management of a single individual, who started it as a room where the underwriters and insurers of ships and cargoes could meet for refreshment and conversation. In the course of years it has become so important a body, that the subscribers and underwriters represent the greater part of the mercantile wealth of the country.

The affairs of Lloyd's are now managed by a committee of underwriters, who have a secretary and five or six clerks, besides a number of waiters to attend upon the rooms. The rooms, three in number, are respectively called the subscribers' room, the merchants' room, and the captains' room; each of which is frequented by various classes of persons connected with shipping and mercantile life. Since the opening of the merchants' room, which event took place when business was recommenced at the Royal Exchange, an increase has occurred in the number of visitors, and, in round numbers, the subscribers to Lloyd's are estimated at 1,600 individuals.

Taking the three rooms in the order they stand, under the rules and regulations of the establishment, the first meriting description is the business and appearance of the subscribers' room. Members to the subscribers' room, if

they follow the business of underwriter or insurance-broker, pay an entrance-fee of twenty-five guineas, and an annual subscription of four guineas. If a person is a subscriber only, without practising the craft of underwriting, the payment is limited to the annual subscription-fee of four guineas. The subscribers' room numbers about 1,000 or 1,100 members, the great majority of whom follow the business of underwriters and insurance-brokers. The most scrupulous attention is paid to the admission of members, and the ballot is put into requisition to determine all matters brought before the committee or the meetings of the house.

The underwriters' room, as at present existing, is a fine, spacious apartment, having seats to accommodate the subscribers and their friends, with drawers and boxes for their books, and an abundant supply of blotting and plain paper, and pens and ink. The underwriters usually fix their seat in one place, and, like the brokers on the Stock Exchange, have their particular as well as casual customers.

At the extreme end of the room is the place set apart for the exhibition of the shipping lists received by the house from Lloyd's agents at home and abroad. In every port of the known world an agent is appointed; and though the emoluments are not large, as far as salaries are concerned, still the position acquired by the distinction produces business in other respects, persons filling the office giving first-rate references for integrity and respectability. The lists and letters afford the particulars of departures, arrivals of vessels, or of accidents, the details of wrecks, salvage, or sale of effects that may take place of property saved from such calamities; the duty of the agent, in the latter case, being to claim the proceeds for the underwriters, and to see that their interests are properly observed. This is information of the first importance, not

only to the underwriters, but also to the public, who, through the papers, get a careful digest of the news so obtained. It is in this manner that, at one view, the subscriber to Lloyd's ascertains the fate of his risks on vessels making long voyages abroad, and the probable loss or success of his speculations.

"Lloyd's Books," which are two enormous ledger-looking volumes, elevated on desks at the right and left of the entrance to the apartment, give the principal arrivals, extracted from the lists so received, at the chief out-ports, English and foreign, and of all losses by wreck or fire, or other accidents at sea, written in a fine Roman hand, sufficiently legible, that "he who runs may read." Losses or accidents, which, in the technicality of the room, are denominated "double lines," are almost the first read by the subscribers, who seek the books immediately the doors are opened for business.

All the three rooms are thrown open to the public as the 'Change clock strikes ten, when there is an immediate rush to all parts of the establishment, the object of many of the subscribers being to seize their favourite newspaper, and of others to ascertain the fate of their speculation as revealed in the "double lines" before mentioned. To prepare for the subscribers, it is necessary that the clerks and waiters should be in their office or the rooms by eight or a quarter-past eight in the morning; and the secretary is very little later. The translator and the clerks prepare the intelligence for the subscribers by looking over the lists and papers received by the post, and taking out whatever appears worthy of having a prominent place on the books. This is copied on a manifold-writer, and from thence transferred by the second clerk to the books.

The writing of the subscribers' books generally commences about nine o'clock, and hence an hour's work upon

them gives a fair sample of the intelligence likely to be received in the course of the day. The books now seldom relieve the clerks of the first batch of intelligence before eleven or twelve o'clock, and additions, through the facilities afforded by the improved system of postage, are constantly made up to the close of business. The head-waiter, between the hours of eight and ten o'clock, is engaged with the assortment and filing of the lists and papers he receives from the clerks after they have gone through the process of marking and extract; and the other waiters attend to the arrangement of the room, the proper supply of pens, ink, and papers.

At ten o'clock, as regular as the hour arrives, the whole of the rooms are in proper order, and the waiters in full costume, ready to attend to the subscribers. Shortly before that hour the members begin to congregate; and about half-past ten the rooms become thickly attended. At the end of the subscribers' or underwriters' room, where the head-waiter is stationed, is a correct list of the mails arrived and due, and all other intelligence which the day furnishes in connection with shipping. At the entrance is stationed one of the waiters, who take it in turn to attend to inquiries made in the lobby, and watch the coat and cloak room. This functionary is distinguishable by his scarlet gown turned up with black velvet, and suffers no person to pass unless he is a subscriber. If anybody wishes to see a subscriber, he gives the name to this official, who immediately proclaims, in a commanding tone—"Harford Rivarz!" or any other person required, which is quickly circulated by the waiters in the inner room; and the name of "Harford Rivarz," or the person who may be wanted, resounds in every corner where a waiter is to be seen. If the gentleman "called" is there, he sees his friend; if he is not, the waiters say so, and direct the in-

quirer to the place where he is in all probability to be found.

Business commencing in the subscribers' room at ten o'clock, a.m., it generally concludes about four or half-past four, p.m.; the place being always cleared by five at the latest. If a straggler stay as late as that hour, he is soon glad to quit, for the clouds of dust raised by the waiters, who then begin to water and sweep preparatory to dusting the following morning, would render his sojourn anything but agreeable.

The secretary leaves about half-past five; the clerks and translator at six, or a little after; and the waiters about the same hour. Certain alterations in management recently made have, in certain respects, reduced the scale of salaries; but not to an alarming extent. The secretary's present salary, and which, by his attention and industry, he well earns, is about £600. The clerks' and translator's salaries range from £100 to £300 a year; and the waiters from £100 to £250.

Having thus given an idea of the subscribers' or underwriters' room, we must now state the description of business transacted by its members. The underwriters at Lloyd's are those persons who insure ships and cargoes against "risk" and "damage," and are paid a premium on their adventures proportionate to the supposed chance the voyage involves.

The number of underwriters may be stated at about seven or eight hundred out of the ten or eleven hundred that frequent this room, and include three descriptions of people: first, those who underwrite on their own account; secondly, those who represent, at a salary, the various Marine Assurance Companies; and thirdly, those who underwrite for merchants' houses.

The first class require to be possessed of capital to enable

them to pay their losses if they sustain any, and judgment to direct them in the choice of their "risks;"—the second and third classes only require experience and common prudence, as losses on vessels underwritten by them are paid by their employers, they only being agents in the business.

As a Register of Vessels, called "Lloyd's Register," is published and corrected from time to time, the underwriter, by the information thus given, ascertains the class and standing of the vessel offered for insurance; her date of building, where built, and of what material she is constructed. The insurance of a vessel is effected on a policy, which provides, much after the same fashion as those of life and fire offices, that for a certain premium, the insurer shall incur a certain risk; with this difference, that whereas, in the case of a fire or life policy, the premium is payable till the event of fire or death takes place, the premium, in the case of a vessel insured, is paid, and the risk ends with the termination of the voyage.

The rates of insurance upon vessels, stores, or cargoes differ, and are not regulated by any precise scale. In time of war they rise, and additional premium is demanded for extraordinary risk. Underwriters very seldom, without it is for a limited sum, take the whole responsibility of a ship or cargo. They endeavour, in most cases, to divide their risks in such a manner as not to entail very heavy losses, without it occurs on a vessel which, having made many successful voyages, is readily sought for insurance, and at last falls a prey to wreck or other accident. The insurance of vessels and stores is effected by the owners or charterers; the insurance of cargoes by the merchant or shipper.

High rates are often paid for risks on vessels after the period has expired for arrival at their destination; but such

transactions are usually regarded as speculative, and are only engaged in by parties willing to accept a very large premium for the chance of incurring a very large loss. Whenever bad weather is reported, the underwriters are in a great state of alarm for the consequence, and many lengthened faces are seen pondering over the list of "double lines," which the books exhibit on these occasions.

The business of Lloyd's has decreased within the last few years by the constitution of several Joint-Stock Companies, the latter having been enabled, as associative concerns, to come into the market, and lower the rates of insurance. The London and the Royal Exchange Assurance Companies, who have, almost from time immemorial, given attention to this department of business, have not, in any degree, contributed to this change; it is the new companies, which it is understood have not been great gainers by the competition they have raised. Indulging in large risks on the payment of reduced premiums, they have, in a number of instances, been severely mulcted by the heavy amount of losses.

To render the process of underwriting as intelligible as possible, we may suppose a case, for the purpose of illustration. Suppose a vessel of the class A 1, registered for seven or ten years, be valued at £20,000 or £30,000, a policy is effected upon her, and the owners or their brokers go among their friends at Lloyd's and see at what rate she can be insured. If the voyage be a distant one, or the season of the year be considered dangerous, the rate will most materially vary. Thus, at one time, a premium of £1 1*s.* or £2 2*s.* per cent. might be taken, and at another time the underwriter would, perhaps, not be inclined to do business under £3 3*s.* or £4 4*s.* per cent., it not alone depending on the class of the ship, but also the cargo she is likely to carry, and the port for which she is

bound. These are all considerations which the underwriter most carefully weighs in his mind before he takes any part or risk in an adventure of the sort. On a vessel of £20,000 or £30,000 value, the policy of insurance might be divided among as many as a dozen underwriters, including some at Liverpool or Glasgow. And it very often happens that the Liverpool and Glasgow people will insure their ships in London, and *vice versâ*.

When a vessel continues absent after the expected date of arrival, and no news has been received of her, the premium of insurance will advance considerably, and then the business resolves itself into a mere speculative transaction. Some of the members of the room snap at this business, but it does not often prove profitable. When bad weather has occurred, either on the coast or abroad, the underwriters at Lloyd's make the most anxious investigation of the books and the lists received, to trace, by every possible means, the result of their risks.

The remark of "a good book," or "a bad book," among the subscribers, is a sure index to the prospects of the day—the one being indicative of premium to be received, the other of losses to be paid. The life of the underwriter, like the stock speculator, is one of vast anxiety, the events of the day often raising his expectations to the highest, or depressing them to the lowest pitch; and years are often spent in the hoped-for acquisition of that which he never obtains. Among the old stagers of the room, there is often strong antipathy expressed against the insurance of certain ships; but we never recollect it being followed out to such an extent as in the case of one vessel. She was a steady trader, named after one of the most venerable members of the house; and it was a most curious coincidence that he invariably refused to "write her" for a "single line." Often he was joked upon the subject, and pressed "to do

a little" on his namesake; but he as frequently declined, shaking his head in a doubtful manner. One morning the subscribers were reading the "double lines," or the losses, and among them was this identical ship, which had gone to pieces, and had become a total wreck.

The subscription to the merchants' room is £2 2*s.* per annum, without any entrance fee; and about five hundred of the best firms in the City have registered their names as subscribers. This room is most magnificently arranged, and the attractions of commerce in every respect will, in a few years, make it the great meeting-place of our merchants. The business in this department is conducted by two waiters, who attend to the filing of English and foreign papers, and the general routine of the day.

The captains' room is scarcely so convenient as the other apartments, and is decidedly less so than when at 80, Bishopsgate, or in the old rooms of Lloyd's. The subscription to this room, where refreshments are supplied at moderate prices, is £1 1*s.* per annum. Here the merchants and owners of vessels meet the captains in their particular branch of trade, and here also are sales of ships effected by public auction and by private contract.

In a quiet corner of the captains' room may occasionally be seen a little old man, dressed in a shabby blue coat, with continuations of doubtful pepper-and-salt, and dilapidated gossamer, deeply engaged in conversation with one or two of the visitors.* His face is wrinkled with age, and he sits fumbling an old-fashioned gold chain and seals, which leads one to expect that he carries a watch. Beyond this simple appendage, there is nothing to induce the observer to believe that the wearer is a man of substance,—the presumption would rather be that he is a superannu-

* This sketch was written previously to the death of Mr. Ward.

ated boatswain or steward of a merchantman, than one of the greatest shipowners of the present day. This old gentleman, who is thus plainly attired, and whose appearance speaks little in his favour, is the rich Thomas Ward. He, the Someses, and the Wigrams and Greens, have the largest amount of capital invested in the mercantile marine connected with the port of London. Some people say that Mr. Ward is worth nearly half a million of money, but the depreciation which has occurred in the value of ship-property will, perhaps, bring it under that amount.

The late Mr. Joseph Somes and Mr. Ward were great friends. Before Mr. Somes died, you usually saw him with Mr. Ward, in the captains' room, between three and four o'clock in the afternoon, surrounded by their dependants, including brokers, captains, and agents. Mr. Somes and Mr. Ward were both great government contractors; but latterly Mr. Somes carried the sway in this respect. Mr. Somes, when he was returned member for Dartmouth, resigned his business into the hands of his nephews, who now carry it on. That gentleman's death, which was very sudden, was an event spoken of in terms of general regret. The age of Mr. Somes was about fifty-five; Mr. Ward is stated to be upwards of seventy. Although there was this disparity in years between the two greatest shipowners of London, their wealth is understood to have nearly approximated; for Mr. Somes died worth about £400,000. Mr. Somes was an active man of business,—a plodder, in his way,—but his chief points of character being perseverance and steadiness, he gradually amassed the fortune which he has so liberally bequeathed among his relations and friends. Mr. Somes was a plain-dressing man, lived in no style of extravagance, but rather preferred, we believe, to dispense his means through private channels, than make an outward or ostentatious display.

Lloyd's chart-room is above the underwriters' room, and is appropriated to the deposit and hanging of charts and maps of the various quarters of the globe. The collection is considered one of the most complete in existence for reference on subjects of maritime importance; and the gratuitous presentation of sets from the hydrographical offices of foreign governments shows the estimation in which the services of Lloyd's, for furthering the interests of the shipping and mercantile community, are held. Adjoining the chart-room are especial conveniences for subscribers, in the shape of brushes and soap and water, which are usually the places of adjournment for ablution, after the business of the day is concluded. Lloyd's now certainly upholds the great position it has hitherto maintained; and will doubtless support it for centuries to come.

CHAPTER VII.

The North and South American Coffee-house—Next to Lloyd's in point of Importance—Class of Visitors and Arrangement of the Room for Subscribers—The Successful Organization of the Establishment—The Supply of American Papers to the Daily Press—The President's Message—The "City Correspondent" of the Daily Journals—The "City Article"—Its Utility to the Public—The Times and the Exchequer-bill Fraud—The Herald, Chronicle, Post, and Advertiser, and the Spanish and Portuguese Boudholders—Complaints by the Brokers of the Power of the Press—The Compromise of Claims by Foreign States—The City Article first Commenced—Rothschild's Expresses—The Companies of the Bubble Period of 1825-26—North and South American Visitors—The Hebrew and the Yankee—The Superintendent of the Subscription Room—Mode of Inquiries.

Next in importance to Lloyd's, for the general information afforded to the public, is certainly the North and South American Coffee-house, situate in Threadneedle Street, fronting the thoroughfare leading to the south entrance of the Royal Exchange. This establishment is the complete centre for American intelligence. There is in this, as well as in the whole of the leading City coffee-houses, a subscription room, devoted to the use of merchants and others frequenting the house, who, by paying an annual sum, about £3 3*s*. or £4 4*s*., have the right of attendance to read the general news of the day, and make reference to the various files of papers from every quarter of the globe. It is here, also, that the first information can be obtained of the arrival and departure of the fleet of steamers, packets, and traders engaged in the commerce of America, whether in relation to the minor ports of Montreal and Quebec, or the larger ones of Boston, Halifax, and New York.

The house has long been celebrated for this description of intelligence; and before the rapid voyages now made across the Atlantic, which have brought the two countries into much greater intercourse, and established facilities not then known, the whole of the London press were under great obligations to Mr. Davis, for the readiness with which he invariably supplied them with the journals arriving by each late packet. Of course, there was a proper understanding between the conductors of the several papers and that gentleman for some remuneration: and the publicity the establishment received in the announcement, that "papers five or six days later," as the case might be, "had been received at the North and South American Coffee-house," was a compensation which, under other circumstances, money or favour never could have obtained.

It was no uncommon thing, at the period alluded to, for the waiters in the house, who were about as proficient in the business as their master, to remain up all night in expectation of the arrival of the packet, so that when the despatches came to hand, they might be immediately forwarded to their respective destinations. When the packet did arrive, and when the papers were received—if at one, two, or three o'clock in the morning, it made no difference—a messenger was sent, as fast as his legs could carry him, to the round of the newspapers, with a fair and equal supply of the issues of the transatlantic journals, to make what use of them they thought proper. It was by these means that the public, at their breakfast-tables the following morning, found themselves in possession of the latest and most authentic account of the state of affairs, both political and commercial in the United States.

The lapse of a few years, however, has made great alteration in the medium of communication with foreign

countries, and in the service which these establishments were formerly able to afford the press. The increased facilities of communication, and the growing importance of one country to the other, soon led to the establishment of regular correspondents both in England and America, which, with the spirit of rivalry between journals for the best and most exclusive intelligence, encouraged the feeling that now prevails to secure agents for superintending the passage of each particular news. Thus these establishments, as far as the general press are concerned, have failed to continue in being of such utility as they formerly were; though to the public, and the particular class of frequenters, they remain of the same importance as ever.

The receipt of the President's message, which, as many of our readers are probably aware, is the great state manifesto of the American Government, published once a year, was an event that was always looked to, when the contribution of news by the North and South American Coffee-house to the daily papers was in its zenith, with much interest by the proprietor. The whole energies of the establishment, for a few days prior to its expected arrival, seemed entirely engaged in this one affair. The message has arrived, for years in succession, on the Christmas-eve; and so sure do the waiters consider its receipt, that the answer to inquiries of the expected return of the captain who brings it, is generally, "No doubt he will take his pudding in England on Christmas-day." Hence the anxiety always displayed for the safe receipt of the message, and the desire to put it before the public on the Christmas-day. This may, in fact, be said to have been the great "card" of the year, during the long period when the supplies of information were received by the press from the North and South American Coffee-house; and if this could only be accomplished, there seemed less care for

the other news afforded, however important it might have been.

Much exertion and much expense must have been employed to bring together the mass of intelligence regularly received at this house, which, whether regarded in the light of immediate utility to the parties who are subscribers, or of subsequent reference for others who may succeed them, exhibits method and arrangement not anywhere else excelled. When it is considered, that at least three or four hundred files of papers are here at the disposal of the reader, who may turn from America to the East or West Indies, thence to Australia, the Havannah, France, Germany, Holland, Russia, Spain, and Portugal, and consult the leading journals published in those countries, and watch in all these sources, if it suit his interest, the progress of business, no one can complain of the want of field of research opened to the merchant, or whoever may wish to make himself acquainted with the various political and commercial relations of the respective governments.

In this respect,—affording a complete circuit of information necessary for mercantile life,—the North and South American Coffee-house will scarcely yield the palm to any place of public business resort, not even to Lloyd's, though in point of influence and antiquity the latter most decidedly has the preference. Besides these ready means of foreign and colonial intelligence, the subscribers' rooms are furnished with a well-assorted supply of provincial papers, which, with the exception of Lloyd's, are not to be found in any other house in the City. It will therefore be seen that the North and South American Coffee-house has assumed the character of a general news emporium, and, unlike the Jerusalem, the Baltic, and the Jamaica, has departed from the rules which seem to guide these establishments in the regulation of their proceedings, by closely

confining themselves to the particular interest with which their names are identified, and keeping connection only with that interest, and catering for its support.

The room the subscribers occupy has a separate entrance to that which is common to the frequenters of the eating and drinking departments of the house, and is most comfortably and neatly kept, being well and in some degree elegantly furnished. The heads of the chief American and Continental firms are on the subscription list; and the representatives of Barings', Rothschilds', and the other large establishments celebrated for their wealth and extensive mercantile operations, attend the room as regularly as 'Change, to see and hear what is going on, and gossip over points of business. There are also other merchants connected with different parts of the world, American captains, and a few who use the place occasionally to arrange their speculations in the funds, from its contiguity to the Stock Exchange and the stockbrokers' offices.

Another class of persons who make the North and South American Coffee-house their head-quarters, not only for intelligence, but also in some respects as a daily residence, and thus attract around a vast and useful circle of acquaintance, are what are usually termed the "City correspondents" of the morning and evening press.

These are the parties who furnish the important article appearing in the papers of the fluctuations and transactions in the stock markets, accompanied with remarks on the aspect of business affairs, and extracts of news which they may consider of interest to the commercial public. The service they have done the country, in connection with foreign loan transactions and other subjects which legitimately come within the scope of their pen, has been admitted both in and out of the legislature. They do not confine themselves to the North and South American for

the news they give their readers, but visit the other establishments in the City, for the purpose of making their selections, as the arrival of vessels may bring intelligence. They are generally men of sound education, possessing a knowledge of two or three modern languages, which is found exceedingly useful in the examination of the Continental and other papers that come under their notice.

Two or three of the "City-article" writers have separate offices, paid for by the proprietors of the journals with which they are connected, and here their friends visit them, and communicate what news or information they may wish to impart; and under such circumstances these gentlemen merely visit the coffee-houses for the material they desire to collect.

The great thing the City-article writers, or "correspondents," as they designate themselves, have to guard against, is the admission of spurious or exaggerated information, which some of the more daring and adventurous of the speculators will endeavour to palm upon them, to serve their own course of dealing, whether in the funds, railway shares, or produce. In very few cases have such attempts been known to succeed, and then only when the communications have been made in a manner to baffle the vigilance of the experienced eye under whose examination they have passed.

To give a small sample of the worth of these contributions to the press, and through the press to the public at large, we may mention the discovery of the Exchequer fraud by the *Times*, and the powerful arguments used by the whole of the papers, especially the *Herald*, *Chronicle*, *Post*, and *Advertiser*, on the subject of the long-neglected claims of the bondholders of Spain, Portugal, Chili, and Mexico, and the successful result of the disquisitions so published. Without the assistance of the daily press, the

enormous amount of wealth, out of which the English public have been in many instances no better than swindled, would have been suffered to improve and support foreign nations in luxury and idleness, without the least chance of receiving a moderate rate of interest for their principal. As it is, it must be confessed that the return they gain, even from the most honourable of these foreign states, is much below the amount properly belonging to them.

Much credit is due to the laborious exertions of the committees who conducted the investigation of the claims of the bondholders; but these would have been of little utility, had not the power of the press been cheerfully given in the cause, to the no small annoyance of many of the agents and contractors, who have much desired to see the matter slumber and sleep, unassisted by so mighty an influence. The public are already aware of the triumph achieved by the *Times* newspaper in the annihilation of the United States Bank, and the subsequent exposure of the formidable gang of forgers associated in the celebrated Bogle case. The discovery of the Exchequer-bill fraud, and consequent arrest and punishment of the chief delinquent, was another great feature in the services of that journal to the general community.

The *Post* and the *Herald*, the City correspondence of which papers has for years been conducted with great care and talent, made themselves particularly conspicuous in their advocacy of the rights of the Peninsular Bondholders; and were it not for the aid which Mr. Richard Thornton, Mr. Joseph Tasker, and Mr. James Capel, the champions in the cause, received from those journals, the success that attended their long-continued endeavours to get partial payment of interest on those securities would, to this moment perhaps, have remained unsuccessful. In

fact, the governments interested, felt the effect of the strong influence of the press on the question; for it became very apparent that business was fast declining in the foreign stock market, and no description was touched by the public save those that were known to pay dividends punctually. No stronger evidence can be afforded of this than the circumstance of the dealings of the day, in the speculative securities, being reduced from about one hundred or one hundred and fifty bargains to less than one dozen. The brokers, at the time, complained of the miserable state of business;—they said the press had ruined the market; and were loud in their complaints against the prejudices alleged to be thus encouraged.

But as the medicine operated, so the disease began to disappear. Portugal proposed to come to an arrangement; Chili followed; Spain converted a portion of her overdue coupons into a 3 per cent. stock; terms were offered to the Treasury bondholders; and Mexico appeared in the midst, with a compromise to settle a portion of her debt. Thus was the power of the press developed in all its fulness.

With the compromises and arrangements effected, the business of the market has improved; but so great is the distaste to speculating in or purchasing the doubtful securities, since the exposure made of their state of credit, that the old manœuvres for getting up a mania in them, to fleece the unwary, has latterly, though often attempted, always most completely failed.

The description of matter comprised in City articles has not been known in its present form more than thirty years. There seems a doubt whether they first originated with the *Times* or the *Herald*. Opinion is by some parties given in favour of the last-mentioned paper. Whichever establishment may be entitled to the praise for commencing so useful a compendium of City news, one thing ap-

pears very certain, viz., that no sooner was it adopted by the one paper than the other followed closely in the line chalked out. The regular City article appears only to have had existence since 1824-25, when the first effect of that over-speculating period was felt in the insolvency of public companies and the breakage of banks. Contributions of the description had been made and published in separate paragraphs throughout the papers as early as 1811 and 1812, but these took no very prominent position till the more important period of the close of the war and the declaration of peace with Europe.

During this time of excitement, the watch necessarily kept for the slightest scrap of intelligence respecting the progress of affairs on the Continent organized, in a manner, the materials since found so well adapted for perfecting the description of article alluded to. In those days, when a few French papers were considered invaluable for the news they were likely to contain, and when the best expresses of Rothschild were smuggled over in fishing-boats, it required more than ordinary perseverance and diligence to be on the alert to scent out the sources from whence such intelligence might be secured; and though in those days the labours of the parties employed did not come before the public in the shape of lengthy contributions, they were, nevertheless, exceedingly useful and important in forming that nucleus, or basis of connection, from which has sprung, and which continues to support, the progressive improvement of later years.

In 1809 and 1810 the papers had commenced regularly to publish the prices of Consols and the other securities then in the market, but the list was merely furnished by a stockbroker, who was allowed, as a privilege for his services, to append his name and address, thereby receiving the advantage of an advertisement. A further improve-

ment was then effected by inserting small paragraphs, giving an outline of events occurring in relation to City matters, but these occupied no acknowledged position, and only existed as ordinary intelligence. However, from 1810 up to 1817, considerable changes took place in the arrangements of the several daily journals; and a new era almost commenced in City life with the numerous companies started on the joint-stock principle at the more advanced period; and then this department appears to have received serious attention from the heads of the leading journals.

It was seen that the wild rage for speculation would, when the panic came, swallow up many who had engaged in it, and warnings were repeatedly given in the remarks of the editors to beware of the crash, before it arrived. These observations then gave place to the City article, where the subject was discussed in all due formality, and where, when the stoppage of banks and the failure of firms commenced, was a record of the particulars that could be gathered from converse on 'Change or at the coffee-houses.

By continuing this description of contribution, and by sparing few of the failing houses from the merited odium of their proceedings, it was discovered that a new power had erected itself, through the medium of the press, over the commerce of the country, and such was its influence that many feared to come in contact with it. On 'Change and at the coffee-houses the greatest dismay was apparent; for through this channel the roguery and tricks of designing speculators were held up to public contempt, and a ready explanation given of the success or failure of bubble companies.

The fearless exposure of anything like fraud or foul dealing gave scope for the display of reason and judgment,

which before long stamped the individuals who then pre-eminently occupied that position, as being persons who who were well qualified to fill the important post confided to their care.

The list of companies published in the year 1825-26 showed a most fearful amount of plunder and sacrifice.* Every description of association was included; the list went from the sublime to the ridiculous, numbering at least from two hundred to three hundred projects, which, from proposing the extension of the laudable principle of life assurance, descended to a patent washing company, suggested to be established at the Isle of Dogs.

Since the panic of 1825-26 the City article has progressed and advanced in favour, being a complete guide to the money and commercial business of the metropolis. If any of our readers could get an introduction to the subscription-room of the North and South American, they would find, about a quarter-past four in the afternoon, when the evening journals come out, two or three knots of gossipers, which would surely include two or three of the individuals who have the weight and burden of this duty on their shoulders. At a later hour, and after the bustle and heat of the day were over, they would find, quietly seated at one of the side tables, a person very deeply engaged in writing upon small slips of paper, which they might consider an absurd employment, were they not informed that such is the *modus operandi* of the City-article collater, who about that hour furnishes his matter, with the latest quotations of stocks and railway shares, and is preparing it for despatch to the printing-office of his journal.

These persons have numerous sources of information,

* The effects of the railway mania had not become apparent when this chapter was originally penned.

which never fail to provide them with material to instruct or inform the public on some topic of interest, throughout the three hundred and twelve days of the year. The whole of the time of the individual who devotes himself to this duty is required for his work; and though, even from the highest to the lowest of the class, the remuneration is good, it nevertheless must be confessed small in comparison with the wealth of the circles in which they move.

The attendance of the City-article writer may be said to be from eleven a.m. till about seven p.m.; and therefore if he secures one hour's indulgence after the merchant or broker, on his arrival at business, he compensates for it by a postponed departure, as it seldom or ever occurs that he actually commences his labour till after they leave. He is mostly occupied in the early part of the day with getting up his information, and watching the fluctuation of the funds; and at the close of 'Change it is that his work really begins in earnest. This is the case, so far as regards the writers for the morning papers.

The writers for the evening papers have less to occupy their time and attention. They are expected to furnish little else beside the business of the morning in the stocks, and the pith of the news by any interesting arrival. It would be impossible for them to give that detail of intelligence which is found in the morning papers, as they have not the time to make the required arrangements, the letters by the post very frequently not being delivered till half-past ten or eleven a.m., and they themselves being obliged to forward their copy at one or two p.m. at the latest. In all justice to them it must at the same time be stated, that what they attempt they do well, and in many instances anticipate their morning cotemporaries in the essence of their made-dish. In most circles the City article is read with great interest; and although

occasionally the views of interested parties may differ on the subjects therein discussed, it is always admitted to be one of the best and leading features in the press of the present day.

Returning to the nature of business at the North and South American Coffee-house, connected with the more numerous class of subscribers, it may be said to be closely identified with the interests of the United States. In 1841-42, when the question of war between England and America was a topic of grave discussion, among parties connected with the trade of the two countries, this was the grand place of resort for ascertaining the opinions of the papers on the subject, and talking with the passengers by the latest steamers. Before now, very long and warm arguments have ensued between particular parties, and one which we recollect, having been present at the conversation, may not be inappropriately introduced in illustration of the feeling which at that time ran high on the question.

The persons who edified the room with the following colloquy were a respectable Hebrew merchant and a roughly-imported scion of the States, who, having just left his native soil, felt himself particularly privileged to give his idea of the condition of affairs in the great country. The Hebrew in some dealings had lost money by the failure of the United States Bank, and, in consequence, entertained no great respect for the people who had encouraged the growth of so monstrous a bubble as that establishment proved to be.

The Yankee, who, in the course of conversation, discovered the pique of the Hebrew against America, at once turned the debate to the subject of the war, and striding up and down the subscription-room, with his hat smartly

cocked, and his hands thrust in the tail pockets of his rifle green, bright-buttoned coat, said—

"I should, by all the powers on airth, like to see Old Hickory give the Englishers a licking—they desarve it; that they do mightily."

"But you know you cannot. Where are your forces, your steamers, all your requisites for such a war?" replied the Hebrew.

"Requisites, did you say?" and the Yankee is again striding up and down the room. "Why, our militia would be enough to scatter like a whirlwind all the reg'lars you could bring into our country."

"Oh!" said the Hebrew, "we should only have to blockade New York, and place a few steamers at the mouth of the St. Lawrence; turn up the Southern States against the Northern; and then you'd see where you'd be."—This was delivered with an air of immense satisfaction.

"I guess I should," sharply rejoined the American; and then apparently coolly reflecting for a moment, he turned to the Englisher with a steady eye, and said, "But you've got to do it fust—talk of what you'd do—you may," and raising his arm, "but it won't alarm we—oh, no. I've seen your Woolwich, your Greenwich, your Portsmouth, but you carn't, with all your arsenals, beat us. Have you ever seen our Springfield?"

The Hebrew confessed his ignorance of the spot.

"Then, till you have," said the Yankee, "and observed our gun manufactories there and a'teen the Alleghany Mountains, never pretend to give an opinion on our capabilities. Just also look at our sea-board, and see how we stand there. I guess you'd find your mistake, stranger; and, therefore, while we're cool let's discontinue the discourse."

The Yankee in fact did seem to be "all over hot" on the subject; and though the conversation was conducted with great complaisance, both of the parties were of such an excitable temperament, that an unpleasant dénouement might have taken place had not the discussion dropped as suggested.

This is merely one of the incidents that very often occur in these places, which, while full of the activity and bustle of business life, afford scenes that carry along with them amusement for the moment.

Lengthened servitude and strict attention to their duties have made the superintendents of the subscription-room at this house very useful to its frequenters, not only in the way of selecting the various files required for reference, but also in giving them a bird's eye view of the news of the day.

If you pay your visit at ten o'clock a.m., and enter the room, the first inquiry generally is, "Well, ———, what's in?" (meaning thereby what vessels have arrived.)

The answer, as the case may be, "Nothing, sir, to-day. There's a vessel from the States, and another from Rio de Janeiro, but they are not so late as the last arrivals. We have a report that the *Hibernia* is off Liverpool; if so, we shall have the letters by the two o'clock delivery."

If there should be an arrival from one or more quarters, the answers to any questions that may be put are such as these:

"The West India mail is in, sir. The crops appear good. They've had bad weather at Jamaica, and a bad fire at Barbadoes. The packet brings a good remittance for the Mexican dividend, but the official account is not yet out."

"What's from the Sates, ———?"

"They talk of Pennsylvania resuming next half year, sir. The *New York Herald* has a long account about it.

Exchange is rising 109¼. The accounts of the crops in the South are favourable for our market. No quotation for United States Bank shares. Ohio sixes are up 2 per cent. Little movement in anything else."

Thus you are at once furnished with the cream of the intelligence of the morning; and when you go to take your seat at your table, you find others following into the room to continue the inquiries you have in the first instance made.

Go again after 'Change, when the evening papers come out, and you see the same faces all eagerly engaged in devouring the news, or conversing in small companies.

Ask your friend, the superintendent, "Anything fresh, ——?"

"Nothing particular, sir. The report of the resignation of the French ministry is confirmed by the *Standard* to-night, sir. The *Globe* and *Sun* mention the subject in their leaders. Consols are in consequence flat. The market opened well this morning."

And in this manner is the round of the business of the house conducted, and its patronage secured.

CHAPTER VIII.

The Jerusalem Coffee-house—The Manager's System of Management—Special Interests attended to—The East India Merchants and Australian—The India Mail—Class of Visitors—The Jamaica Coffee-house—Its Character and Frequenters—The Baltic Coffee-house—Speculations in Tallow—Russian Monopoly decreased by Supplies from Buenos Ayres and Sydney—Decrease of Speculation in the Article—Mr. Richard Thornton and his Dealings in Tallow—Mr. Thornton a General Speculator—Sales of Tallow, Oil, etc.—The Hall of Commerce—Mr. Edward Moxhay's alleged Motive of Construction—The Opening—Its Character—Rooms and their Purposes.

The place where the merchants and captains connected with the commerce of the East assemble, the Jerusalem Coffee-house, Cowper's-court, Cornhill, is one of the oldest of the City news-rooms in existence.

It is exclusively devoted to the interests of the merchants and others engaged in the trade of China, India, and Australia; and whenever information is required respecting any of these places, or of vessels voyaging to or from or between them, application is only to be made at the bar of the subscription-room, and the most ready and obliging answers are returned. This apartment is well furnished with files of the principal Canton, Hong Kong, Macao, Penang, Singapore, Calcutta, Bombay, Madras, Sydney, Hobart Town, Launceston, Adelaide, and Port Philip papers, and prices current, besides shipping-lists and papers from the various intermediate stations or ports touched at, such as St. Helena, the Cape of Good Hope, etc. In this respect no other house in the City can lay before an inquirer so abundant a mass of Eastern news as is here available. The terms of entrance are, as in the

other coffee-houses, a certain sum per annum; and subscribers possess the advantages of having their letters addressed to them in care of the proprietor.

Exclusively devoted to the affairs of the East, there are few of the general class of City people found in this room, the frequenters being either closely identified with India and China, or the Australian colonies. The books of East India shipping, including arrivals, departures, casualties, and all the minutiæ, which in their particular department are kept with all the accuracy distinguishing the universal record of Lloyd's, afford a ready reference to any information that may be sought by the public; and as the eyes of the first merchants and captains in the trade are daily running over them for consultation, it may be premised that they are a true index, or else they would not have been so long relied on.

Between the hours of two and three o'clock p.m., the Jerusalem Coffee-house can be seen in its full activity of business. The merchants have about this time left their counting-houses, and called in to see "how things are stirring," and meet captains or others whom they may wish to see before going on 'Change or leaving the City. If you have the opportunity of going to the "bar" of the room about these hours, you will find engaged in close conversation upwards of from one hundred and fifty to two hundred persons, all of whom are transacting important business, and who, most assuredly, have the chief of the commerce of the East in their own hands.

The accelerated passage of the mail to India by the overland route, which is inseparably allied with the interests of this house, makes it a place of much bustle twice a month, the periods being the arrival of the bi-monthly mail. On these occasions there is a large attendance of merchants and others, who, having considerable properties

in the Presidencies, never fail then, if at other times, to make their appearance and read the papers for themselves.

The chief subscribers to the Jerusalem are the East India and Sydney merchants and the captains, with some few of the highest brokers connected with the produce markets, the latter of whom desire the earliest information of the arrival of vessels with cargoes likely to pass through their hands at public auction. The wealth of the parties who meet here together, including, as it does, our first shipowners and builders, and Government contractors, must be immense.

The Jerusalem Coffee-house numbers between three and four hundred subscribers, who, reckoning among them the first of the traders connected with India and Australia, must return a good revenue to the proprietors, all of whom, however, do not take an active part in the business, but leave the management to Mr. Hardy and his great factotum, Mr. Miller.

The Jerusalem and the North and South American Coffee-houses being situated, one on the right, and the other on the left of the Royal Exchange and Lloyd's, brings the great focus of mercantile transactions within a limited space, and makes them most convenient for the merchants and underwriters.

The other coffee-houses to be noticed are the Jamaica and the Baltic, each representing a different interest. Another existed prior to the destruction of the old Royal Exchange, called John's, and the Mediterranean; but when the fire occurred the premises were burnt, and as it was not a very prosperous concern, no attempt was made to restore it. The subscription-room in this house was small, and the principal frequenters were a few of the Gibraltar merchants, and persons connected with the

fruit trade; but, as it bore no high position for intelligence, the place was not known to many.

Tom's Coffee-house, always celebrated for its "punch," though not making the prominent appearance as formerly, with its old green blinds on brass rollers; behind which, when the frontage was in Cornhill, many parties of the citizen-merchants of London could be seen enjoying their bowl of the cheering mixture, and their quiet cigar, after the fatigues of 'Change, or a dinner at Baker's, still attracts a very nice custom in its retired nook, near the Jerusalem. The business now carried on in this house is more connected with eating and drinking than mercantile affairs; but yet there may occasionally be found in the luncheon-room two or three of the old brokers, who, from former associations, make this their resort in preference to the other establishments already noticed.

The Jamaica Coffee-house is to the West India trade what the Jerusalem Coffee-house is to the East India trade. The proprietors and managers of the Jamaica Coffee-house pride themselves upon the accuracy and full extent of their West India intelligence, quite as much as the Jerusalem people pride themselves upon the accuracy and full extent of their East India intelligence. These two establishments may be said to afford a fair specimen of the attention that is paid in houses of this description to secure an independent footing by supporting a particular interest. The Jamaica Coffee-house is situated in St. Michael's Alley, Cornhill, and the number of subscribers varies from two hundred and fifty to three hundred and fifty, the parties being the merchants engaged in commerce with Madeira and the West Indies, who assemble together for business purposes before going to their several counting-houses in the morning, or after leaving 'Change in the afternoon. The subscription-room in this establishment

is exceedingly commodious, and the supply of papers and shipping-lists published in the localities it represents, is numerous and well selected. It is the best place, above all others, to ascertain any information relative to the mail packets on the West India station, or the merchant-vessels making these voyages. There is in this, as well as in the other rooms of the same description in the City, a sandwich-bar, so that refreshment, in the shape of tea and coffee, sandwiches, and wines and liquors, is often combined with business pursuits.

The Baltic Coffee-house in Threadneedle Street is the rendezvous of the merchants and brokers connected with the Russian trade, or, more plainly speaking, that conducted in tallow, oil, hemp, and seeds. It is an establishment of considerable notoriety, from the large speculations which have at different periods been carried on among the subscribers, who, representing the trade in so important an article as tallow, have followed, under a certain position of affairs, that course of dealing that, like transactions on the Stock Exchange, frequently terminated in the ruin of the parties concerned.

The Baltic is a very snug little place, managed under the superintendence of a committee of management in a highly creditable manner. The supply of news to this room is, with the exception of the chief of the London, Liverpool, and Hull papers, confined to that from the North of Europe, and the tallow-producing countries on the South American coast, which gives the visitors the intelligence they require to conduct operations.

The speculations some few years ago conducted in tallow, and which brought, when they exploded, much loss to the unfortunates who happened not to be in the secret of the proper time to sell, are not very likely to be again renewed to any great extent. The Russians, who

were the great movers of these schemes, were chary in giving too large a supply to the English market, and being in the habit of keeping to themselves the true state of stock at home, were enabled to play with the London dealers just as they pleased, because from St. Petersburgh came nearly the whole of what was imported. That, however, is not now the case; the increasing quantity brought yearly from Buenos Ayres and Monte Video, and the new source of supply derived from the successful manufacture of the staple in Sydney, has quite changed the aspect of business in tallow. Stocks regularly coming forward from St. Petersburgh, aided by the South American and Australian imports, the market is kept in a proper condition, with a fair equilibrium in prices; and, hence, less chance than ever is presented for our northern friends to take advantage of our extended use of the article, which originally they almost exclusively supplied.

It has certainly been a fortunate thing that the excess of agricultural stock, both in South America and Australia, has had the effect of turning the attention of parties there to the manufacture, and of causing competition, to the benefit of our own country. South American tallow has all along maintained a fair and remunerating price in the market, and though perhaps not equal in point of quality to P. Y. C. (Petersburgh yellow candle,—one of the technicalities of the trade), still it is found useful by the chandlers; while recent imports of Sydney tallow promise to become a strong rival, late sales having brought high rates.

Large sums of money have been made and lost in the article, but anterior to the date of the import of foreign and colonial tallow. A few years ago, the three or four failures that then took place gave, apparently, the finishing stroke to extended speculation; and, notwithstanding the

amount of money involved was little less than £300,000 or £400,000, it was found that the business had been transacted on such an unstable basis as to warrant great precaution in future transactions with several of the persons who figured in them. The danger that some of the wealthy houses escaped by the early closing of the speculation was very evident when certain facts were disclosed; and such was their effect, that ever since, making due allowance for other causes, little or no speculation has occurred in the market.

The assertion has been made that, until lately, there was as much gambling in tallow as in Consols. This really was the case; and almost the same mode of business was applied to the one speculation as the other. Proper settling-days were fixed for this article, when sales for purchase and delivery were arranged, and when the buyer, on the one hand, took the difference from the seller, if the price was in his favour, or the contrary, as events might happen to turn out, precisely the same as in the English and foreign stock markets; and thousands and thousands of pounds have passed on these occasions, on the contracts made.

Speculation in tallow for the last few years has existed but in name. Numbers of the brokers would be found, even now, willing enough to conduct such business, provided principals intimated an inclination to enter into it. But as no such disposition is shown, they are obliged to confine themselves to what are termed transactions "on the spot," instead of "delivery;" the latter being the description of contract that would allow of a rise or fall in price, it usually embracing a period of two or three months forward, while the former is the dealing that settles the business at once, without a margin for fluctuation being given. Several of our largest City capitalists are well

known to have made vast amounts of money in these speculations in tallow, but having transferred their favours to other channels, they are now seldom or ever seen in the market.

One of the "greatest of the great" of our City men, Mr. Richard Thornton, who, next to the Rothschilds and the Barings, stands A 1 in point of wealth and connection with foreign countries, is said to have accumulated a considerable part of his property by his successful operations in this article. This gentleman appears to be one of the most adventurous speculators, and, though ranked as of the "old school," so great a success has attended his pursuits, that something more than mere fortune must have directed his plans, or else, in the various grades of his speculations, from the export of old clothes for the service of the Miguelite troops in Portugal, to his subsequent loan contracts, he could not have been so completely triumphant.

Mr. Thornton, who is now upwards of seventy, has a much younger appearance. His activity is very great; and he is as early and as punctual in his attendance at business as most of the leading City men. He is a member of Lloyd's, the North and South American, the Jerusalem, and all the other coffee-houses of note and standing; and this is nothing extraordinary, considering that he will take a "risk" at Lloyd's for £7,000 or £10,000 with a good premium, as readily as he would a few casks of tallow at the Baltic. He is a very large holder of Portuguese and Spanish stock, which the public may suppose, by finding him frequently placed in the chair at the meetings of the bondholders, and great service he has done their cause.

The Baltic Coffee-house continues to attract a large attendance of subscribers; but as the business becomes of

a more legitimate and quiet description, there is less excitement apparent in the room. The whole arrangements of the place show a nice taste for economy and comfort, and there is no lack of one or the other. The attendants are obliging and civil, having an eye to the committee of management, who are sure to take notice of any irregularity in this respect. In the upper part of the house is the public sale-room, where tallows, oils, etc., are offered at auction by the selling-brokers. It is a long narrow apartment, having no peculiar characteristic beyond a slight effluvia from the samples exhibited, and the dingy appearance of the place, besmeared with ink from the pens of the juveniles, or clerks in attendance for principals who are not buyers, and who, from the age of twelve upwards, may be seen either marking the prices paid in their catalogues, or designing figures, after the antique, upon the deal tables appropriated to their use. The sales occupy about a couple of hours, beginning between two and three, and often not concluding till four or five o'clock p. m.

The large and massive building which has reared its head in Threadneedle Street is also a news-room, and is styled the Hall of Commerce. The arrangements of the interior are of the most costly and convenient description, and the exterior displays some taste and architectural beauty. Mr. Edward Moxhay,* the proprietor, after whose design the Hall of Commerce was planned and executed, is a man of great commercial enterprise, well known in the metropolis for his pushing industry, and the large amount of wealth acquired by him in consequence.

It appears to have occurred to this gentleman that London ought not so long to have remained behind Liverpool and Manchester in the want of a general commercial room, where the merchants could congregate and transact

* This sketch was written prior to the decease of Mr. Moxhay.

their business; and this, we understand, led him to carry out the plans he himself formed on the subject.

Some people have been unkind enough to assert that the refusal of a model laid by him before the Gresham Committee of a new Royal Exchange, was the first cause prompting Mr. Moxhay to rivalry in the comparatively small establishment which he erected. This does not, however, seem to be true. At the time the Hall of Commerce was commenced, delays had taken place in the progress of the works at the Royal Exchange; and the subscribers to Lloyd's, on several occasions, had individually expressed discontent at the absence of a centre of communication such as before existed. These were matters that, coming to the cognizance of Mr. Moxhay, doubtless induced him to take up the idea. The Hall of Commerce was then proceeded with; but the purposes of the establishment, though many shrewd guesses were made, was not allowed to transpire; and all connected with the concern are stated to have been enjoined to the strictest silence relative to the ultimate use of the building. It was finished about two years previous to the completion of the Exchange; and so great were the anticipations of success of the friends of the establishment, that it was opened with a grand banquet, to which the principal of the wealth and influence of the City were invited.

The opening having been completed, and the public admitted to view the interior, business operations were commenced; but, notwithstanding the arrangements with respect to shipping and mercantile intelligence were ample, and of good character, the subscription of £5 5*s*. per annum was considered too high, and the attendance became restricted. At the time, it was said that a large proportion of the merchants of London had registered them-

selves as subscribers; but the subsequent reduction made to £1 10*s.* 6*d.* per annum, would lead to the belief that, if promises were made, they were not fulfilled. At this lower rate the rooms have gained a considerable accession of visitors, and the computation roughly made is, that they amount to nearly two thousand; but of course, as in the case of the other coffee-houses, there is not always the attendance of one-half the members throughout the day.*

The chief room in the Hall of Commerce is what is usually called the reading-room, which answers the purpose both of affording information to the subscribers, and of meeting friends on business matters. The same plan is adopted here as in the lobby of Lloyd's, viz., of calling members when they are sought by their connections. The members of this room, who are entitled to the other privileges of the house, principally consist of merchants, stock and share-dealers, and persons who may have commissions for the sale of manufactured goods. For the especial convenience of this last-mentioned class of subscribers, a sample-room is open, where they can exhibit their wares; but notwithstanding this may, at some future day, become essential and attractive, it does not at present promise much success.

Another large room is provided for meetings, public sales, etc., but extensive patronage has not yet been bestowed upon it. Up-stairs are also a number of apartments designed to serve the convenience of meetings of creditors, private conferences, and arbitrations; while in some two or three are fire-proof safes, for the deposit of deeds and other securities which the subscribers may feel inclined to put out of the reach of harm. Altogether, the Hall of

* Since Mr. Moxhay's decease, other arrangements have been attempted. The principal parties attending are interested in mining, and a kind of exchange is held at this place.

Commerce has every convenience which persons, situated as the subscribers are, can require; and had it been the first place of the kind in the City, no doubt can be entertained but that it would have received a much larger share of support than it at present enjoys.

Mr. Moxhay has laid out an immense sum upon it—rumour says £70,000; and it is therefore to be hoped, considering the good intentions he had in view, that his subscriptions return him a satisfactory rental.* The one great fault in the conception of an establishment of this description seems to have been the want of proper consideration of the inclination of the mercantile public towards such a project. Mr. Moxhay appears to have imagined that, by creating such a centre of attraction, he would have depopulated those separate and secluded haunts of the different interests, and brought them together in one focus. This was the mistake. The members of Lloyd's, the merchants who attend 'Change, the subscribers of the North and South American, the Jerusalem, the Jamaica, and the Baltic, never can be persuaded to leave their old resorts, where they find everything ready to their hand, for the chance of being, in one incongruous mass, served better elsewhere. The members of the North and South American, the Jerusalem, the Jamaica, and the Baltic, were already well provided in their respective establishments; and the underwriters at Lloyd's, and the merchants, were anxiously looking forward to the completion of the Royal Exchange, with its usual apartments for business purposes. The experiment, which had for its effect the annihilation of the one and the anticipation of the other, was hazardous; and proper reflection on the

* After absorbing this amount, it has proved, according to City phraseology, "anything but a success."

subject might have made it less dangerous in carrying out. As a building, the Hall of Commerce will always remain a monument of Mr. Moxhay's perseverance and wealth; but, we fear, it will be many years before his intentions or wishes are gratified, in respect to its universality.

CHAPTER IX.

Garraway's Coffee-house—Its Business and Appearance—The Peculiarities of its Frequenters—Speculators at Garraway's—The Operations in Tea—Sutton the Superintendent—The Score settled—The Physiology of 'Change Alley—The Coffee-house Habitué—Hours of Attendance in the City—Mercantile Employment—Corresponding Clerks—Rates of Remuneration—The Brokers in the Produce Markets—Mincing Lane—Tea-brokers' Profits—The "Monopolist" Brokers—The Brokers' Ticket—Fraudulent Speculation—Sales at the Commercial Rooms—Sketch of Mr. James Cook.

As a coffee-house, and one of the oldest class, which has withstood, by the well-acquired fame of its proprietors, the ravages of time, and the changes that economy and new generations produce, none can be compared with Garraway's. This name must be familiar with most people in and out of the City; and notwithstanding our disposition to make allowance for the want of knowledge some of our neighbours of the West-end profess in relation to men and things east of Temple-bar, it must be supposed that the noble personage who said, when asked by a merchant to pay him a visit in one of these places, that he willingly would, if his friend could tell him where to change horses, had forgotten this establishment, which fostered so great a quantity of his dishonoured paper, when in other City coffee-houses it had gone begging at 1*s.* and 2*s.* in the pound.

Garraway's has always been famous as a sandwich and drinking-room, affording every convenience for its numerous visitors, who crowd it all hours in the day, for one purpose or another. It is, without exception, the earliest house opened, and the latest closed. From ten o'clock in

the morning till nine o'clock at night there is always business doing, and that principally in the shape of sacrifice to the inner man. The pressure commences between eleven o'clock and twelve o'clock a.m., the hour that City people feel it to be time for lunch; when there is a large attendance for sandwiches, pale ale, stout, and sherry. The consumption of these articles at this house is immense, and the work of the waiters proportionate. Large trays of ham, beef, and tongue sandwiches, cut in a most substantial manner, are ranged on the bar; and the clink of glasses, with the clatter of small plates, proclaim the activity of the establishment.

The proprietors, with their superintendent, Sutton,* pay the most scrupulous attention to the wants of their customers; and the good things are as speedily replaced as their predecessors are removed. The sandwich business of this house must exceed that of all other similar establishments in the City. A handsome piece of roasted ribs of beef, a boiled round of ditto, a ham, and a good-sized tongue are commonly disposed of by a day's trade; with an equivalent quantity of wine and malt liquor, to make them palatable and wash them down. Sutton, the sandwich-maker, is quite an adept in this department; the ease with which he mows down the quartern loaves, and the dexterity he displays in carving the meat, shows he has had no small practice in the art; and he is quite as much at home in manufacturing a "cooler," or mixing the materials for a pitcher of punch.

It is a good couple of hours' work for this waiter to cut and arrange the sandwiches before general consumption commences, and there is no limit to the ready supply, if the demand be more than ordinary. In his quiet corner,

* Changes have lately crept into this as well as the other City establishments, and our old favourite, Sutton, has retired from active business-life.

with sharp tools, Sutton can make sad havoc among the bread and meat.

Besides the fame that Garraway's has obtained for its sandwiches and wines, it must be well known as a place for the sale of estates of all descriptions. The windows are covered with bills, detailing the particulars of property to be brought to the hammer at this place and the Auction Mart. The sale-room is up-stairs in the first floor; an antiquated apartment, with a small rostrum for the seller, and a few commonly grained settles for the buyers. An introduction to it, under other circumstances than that of a sale of landed property, would scarcely induce the visitor to believe that it had ever been appropriated to such a purpose, or was calculated to attract the attention it does. In this same room the sales of drugs, mahogany, and timber are periodically held. The sales are fixed for certain hours; and are announced by Sutton in a somewhat stentorian voice, à la Toole; and he receives an especial fee, it is understood, of *2s. 6d.*, according to the custom of the house, for the announcement of each sale.

It has been stated, but whether accurately it cannot be vouched, that the proprietorship of this house is regulated by a very satisfactory rule, viz., that when one or other of the partners die, the head waiter, or superintendent, as this functionary is sometimes termed, occupies his position and place, under terms of agreement with the survivor. At all events, if this be not precisely the fact, there is evidently some expectation of the sort entertained by the parties who have hitherto filled this post—for it generally seems that they pay close attention to their duties, and hold themselves rather above the other waiters of the room.*

The evening's business at Garraway's differs from the

* Recent alterations have not confirmed this impression.

morning's business in a very slight degree. The early part of the day being chiefly devoted to the dispensation of sandwiches and sherry, the latter is followed up by the subsequent appliances of grogs and cigars. Dinner-time having intervened, many of the merchants and brokers who may perchance stay in town, or do not reside at a great distance, adjourn here after 'Change hours, to amuse themselves with the absorption of wine or punch. If their inclination should not tend in this direction, they can be supplied with tea and coffee, and the necessary adjuncts; and, under the influence of these less exciting stimulants, enjoy the quiet converse of their friends.

Wine is consumed in goodly quantities at this house, but principally in the day-time. The favourite beverage of the evening is either coffee or punch. Both these are manufactured in a superior style, and, accompanied by a choice Havannah, scent the room with their peculiar, and to those who enjoy them refreshing, fragrance. The "cooler," of which mention has been before incidentally made, is a parting glass, a "wind-up" of the evening, used as a settler of what may have already been taken, and is nothing more nor less than sixpenny-worth of cold brandy and water. Sutton, the superintendent, is a merry dog, and when not engaged in the dishing up of tea or coffee, at the very primitive fireplace at the end of the room, or the distribution of the other stores of the house, can make himself agreeable by telling racy tales to his customers, or carrying on a bit of fun with the fruit-women, who are allowed *entrée*, for the purpose of supplying their wants in the shape of oranges and nuts.

Garraway's, in periods of great speculation, is always the place of resort for the "late" men, or those who operate after 'Change hours. It has been found most convenient for this purpose, affording excellent opportunities

for the combination of pleasure and business at the same time. In 1840 and 1841, when the tea-speculation may be said to have been at its height; when prices were fluctuating sixpence and eightpence per pound on the arrival of every mail; and when the rage for a venture in the article was nearly equal to the mania for railways,—Garraway's was frequented every night by a host of the smaller fry of dealers, who concluded time bargains with each other on the same principle as those conducted in the public securities.

There was more excitement in these affairs than ever occurred on 'Change when the most important intelligence arrived; and for this simple reason, that, whereas in the one case business was conducted in sober seriousness, in the other, calculations were lost in the depth of the bottle. An indiscriminate understanding seemed to prevail among all parties, that if business were transacted, it must be sealed by the circulation of the juice of the grape. Champagne and anchovy toasts were the order of the day; everybody ate and drank, and nobody appeared to pay, yet everybody was evidently satisfied with what everybody did; and whether buyer or seller, or no buyer or seller, every one came and went as he pleased, without the least question concerning the score. That the bills for all this eating and drinking were discharged, there can be no doubt; but such was the kind of general community established, that it put one much in mind of the familiarity of a Derby-day, when people are by no means particular, and strangers as well as friends make themselves extremely welcome. This round of jollity continued for several months, and did not flag in the least, till the Mincing Lane people themselves became tired of the speculation, and the altered position of affairs in China brought the tea-market to its proper level.

To see Sutton in his "glorious moments," a visit must be paid to Garraway's between eight and nine o'clock in the evening, when the last few visitors are winding up, and leaving the room.* The deep response of "Here! coming, sir!" to the cry of "William!" or "Waiter!" must be heard to be appreciated; and the manner of reckoning be experienced, to be believed. "William, what's to pay?"—"What have you had, sir?" "Small pitcher of punch."—"Small punch, 1*s.* 6*d.*, sir; punch, 1*s.* 6*d.*, sir; what else, sir?" "Cooler, William."—"Cooler, 6*d.*, sir; punch, 1*s.* 6*d.*; brandy, 6*d.*; punch and brandy, 2*s.*, sir. Cigars, sir?"—"Yes, two cigars." "Cigars, 6*d.*; cigars, 6*d.*, sir; and punch and brandy, 2*s.*, Two and six, sir; self, sir;—I beg your pardon, sir, —only two and six, sir."

You pay the two shillings and sixpence with the small gratuity kindly intimated in the sly dropping of the word "self;"—and when you arrive at the familiarity which will induce Sutton to go so far with a customer, you may be supposed to have frequented Garraway's for some few years.

'Change Alley, the place in which Garraway's is situate, is one of those indescribable localities that often are passed in a ramble through the City, and excite curiosity in the mind of the stranger from the sort of maze its thoroughfares shadow forth. With something like four or five entrances, two from Lombard Street, two from Cornhill, and one from Birchin Lane, there is great danger in losing your way, either to the right or the left; for if attracted by the windows of Knight, the print-seller, you may, possibly, after idling away a few minutes, find that instead of going, as you intended, through the alley, and reaching

* Many are the regrets that have been expressed at the retirement of Sutton, his presence having always occasioned mirth among the visitors.

Cornhill, you have, in reality, only taken another turning which leads you into Lombard Street, from whence you started.

At most of the City coffee-houses the visitor is sure to fall in with a character more or less troublesome, according to the frequency of attendance,—and that character is the coffee-house *habitué*. He is usually a retired merchant, whose active business habits will not altogether allow him to leave the scene of past labours; and hence it is a standing rule with him to look in every morning at the coffee-house before he commences his day's peregrinations. Living a short distance from town, the omnibus is a great convenience; and his limited means not warranting an expenditure of more than one shilling a day for conveyance, he makes his journey sixpence there and sixpence back. Notwithstanding he is generally parsimonious, a subscription to the coffee-house, though involving a cost of a few guineas a year, gives him the *entrée* to his accustomed haunts, and secures him the recognition of old friends. He is always early in the morning for the pick of the papers; he reads the debates with interest; scans the money-market to see the condition of Consols; talks politics with the avidity of an unfledged parliamentary speaker; criticises plays; and comments on the fashions. To him the income tax is no mystery, though he endeavours to evade the payment; it was just the measure a man like Sir Robert should have devised to relieve the necessities of the Treasury; yet, nevertheless, he scarcely believes the utility of not submitting to an alteration of the corn laws, considering they have undergone alteration some ten or fifteen different times during the last half century. Though he does not feel severely the evil arising from a reduction of the three and a half per cents., he still sympathises with the sufferers; but then, what else was to

be done under the circumstances of a favourable money-market, and a desire to curtail the financial expenses of the country? It is no wonder to him, that Macready left England to illustrate Shakespeare in the States, after the marked discouragement the eminent tragedian experienced at home. The only surprise he expresses is of that great living actor not having before availed himself of American laurels and hard dollars. Having gained the one, he was sure to obtain the other. To him, the late *bal poudré* was a farce,—a contemptible farce,—to see the nobility starched up with floured wigs, high-heeled shoes, brocaded coats, and hooded petticoats; and all this patronised by majesty, was a disgrace to the intelligence of the country. Pshaw! it was humbug. That is his opinion; and he will maintain it against the world.

This is the colloquial strain of the coffee-house *habitué*. He always predicts what he knows will take place; and then, in your next rencontre, boasts of his astuteness and the correctness of his inferences. You listen with impatience, but he will secure a hearing by pinning you at the button-hole; for he disregards Lord Chesterfield, and cares not for his "Letters." The only relief from your enemy is a sudden and pressing call of business, which will rob you of the pleasure of his society much against your inclination. A *ruse* of this description may rid you of the torment, who will straightway make for another victim that can stand his shafts of wisdom and experience. Reader, beware of the coffee-house *habitué*,—he is known by three qualities, which he possesses in an eminent degree,—viz., knowing everything, giving most trouble, and spending the least.

The hours of attendance in the City do not vary in any great degree; the banker and merchant, with his clerks, being at office by nine or half-past nine a.m., and leaving

between six and seven p.m.; and the stock or produce-broker, with his clerks, being at office by ten a.m, and leaving between four and five p.m.

Under special circumstances the hours are prolonged; and with merchants, always on Tuesdays and Fridays, which are foreign post nights, when letters are posted for the Continent as late as half-past ten and eleven o'clock p.m. Attendance till this hour is generally limited to the acting partners in the firm and their corresponding-clerks. The duty of the latter is to advise connections abroad of whatever their principals have to communicate, through the medium of French, German, Italian, or Spanish, as the case may be. The situation of corresponding-clerk in a merchant's counting-house is considered a responsible post, and the rate of remuneration rises from £250 to £400 and £500 a year. Several of the first of our merchants keep two corresponding-clerks, and the duties being divided between them, their pay is regulated by their standing.

The acquirements necessary for a place of this description is perfect command, both in reading and writing, of the majority of modern languages and other mercantile knowledge, only, in many instances, to be obtained by a residence in the countries where the languages are spoken. The corresponding-clerk is very often a merchant, who, having been himself unfortunate in business, gladly accepts such an appointment for the future support of his family. Many of the corresponding-clerks are also foreigners, whose acquaintance with other languages besides their own admirably fits them for the service, they having, at the same time, the means of an insight into the mode of business in England.

The subordinate clerks, from the ledger-keeper downwards, graduate from £250 to as low as £50, but mostly

get preferred the longer they stay in their employer's service. The Rothschilds, the Barings, the Heaths, the Huths, and other great houses, display a spirit of liberality towards their clerks; and, from connections made in these firms, several of them have been enabled to get into business for themselves. An establishment, paid upon the terms described, involves an expenditure for service alone of £2,000 or £3,000 a year; and it has been calculated that a number of our first merchants' disbursements for salaries exceed this sum. This will not appear extraordinary when it is recollected, that from ten to fifteen, and sometimes twenty clerks, are kept in constant employment.

Second-rate merchants put up with a much less number of hands, and do not pay the most liberal salaries. Ship-brokers and commission agents are another class of people who do not give high wages; while a system is coming into vogue, among certain merchants and agents, of securing "respectable youths, that can write a good hand and know something of accounts," on the stipulation that "they are not to receive salary for the first one or two years." This is a plan now adopted by most of the beginners on a small scale in mercantile life; but it should not be encouraged, because it usually ends in the discharge of the party on the expiration of the term, as the employer, knowing his access to his old market, is not then willing to give adequate remuneration, however serviceable his clerk in the meanwhile may have become.

The stock and produce-brokers give fair salaries, ranging from £60 and £70 to £250 and £300 a year. In these departments of business, clerks who are intelligent, and have seen service for any length of time, can relieve their employers from much of the care and weight of operations they would otherwise have to bear. Hence the favourable

consideration they receive at the hands of those who engage them, and the desire they almost invariably show to prove themselves deserving of notice. In a colonial broker's house, such as Cook's, Ruckers', and others, in Mincing Lane, the great extent of business transacted renders it necessary so to dispose of the clerks as to bring the routine of dealing within several sections. For instance, to one will be deputed the superintendence of the indigo market; to another, the sugar market; to another, the coffee market; and in this manner is effected a whole chain of business in its most complicated shape.

Brokers who confine themselves to particular branches of trade, such as tea, tallow, coffee, sugar, or spices, never, perhaps, employ more than one or two clerks, who "sample" and "attend sales," while the principal himself takes the more important part of looking after the market, and keeping the accounts. The tea-brokers are a fair specimen of the class that confine their attention to one article, and number several large firms. Within the last few years they have had an extensive and profitable market, the speculation during the Chinese war giving that article a run, which introduced all classes as dealers. The brokerage two or three of the firms then realized, must have amply compensated for the little business transacted since the cessation of hostilities, if it were not sufficient to make the fortunes of their chief members. The large quantities then disposed of at public sales, in addition to the private contracts effected in Mincing Lane and on 'Change, purely for speculative account, so increased their commissions, that whereas, in times of full activity, the disposal of 400 or 500 chests was considered a good day's business, it had augmented, in the height of the fever, to 10,000 and 12,000 chests daily. A charge of 2*s.* 6*d.* per chest, in such extensive transactions as these,

may readily be supposed to have yielded a share of good fortune which must have deposited substantial effects in the hands of their bankers. Several of the tea-brokers maintain large establishments, and a corresponding number of clerks.

The commission allowed to produce-brokers is, on the average, one-half per cent. On certain articles 1 per cent. is allowed; but these are few indeed. Some brokers will, for the sake of business, accept less rates of commission; but they are in most cases needy persons whose circumstances lead them to "undercut" their brethren, or who, having recently started in trade, hold out this attraction for the increase of their connection.

The chief of the brokerage business in produce is getting into the hands of one or two large houses, which is accounted for by the command of capital they enjoy. It is a question whether the manner in which they have of late years transacted their trade, has not invested them with powers equal to our best bankers and discounters. Three of the largest produce-brokers in the metropolis maintain much of their business by the enormous advances they make merchants on their consignments. Having gained a strong reputation by the extent of their business, they can as readily get money from the Bank of England on their own bills, as any of the bankers and merchants themselves. In such a situation they are almost able to act as they think fit with their customers.*

Suppose a broker of this description finds a merchant for whom he does business, entered in the Customs Reports as the party to whom 60,000 bags of Mauritius sugar, or any other produce of considerable value, is consigned; he immediately goes to him, and inquires if he be in need

* The fallacy of this system of business has been exploded by the failures of 1847-48.

of any advance. Should assistance be required, he is ready to provide the money upon the deposit of the warrants for the goods; and while securing for his advance the rate of two and a quarter or two and a half per cent., as may be the currency of Lombard Street discounts, the one-half per cent. commission for sale must follow when the goods are offered at auction. Thus the broker operates with advantage to the merchant as well as himself. And many of our merchants would sooner condescend to be served and assisted in this manner, than go into the open market to supply their wants. It is not necessary to name the houses that transact a large proportion of their business in this manner, but that it is done is very well ascertained. It must not, however, be supposed that anything irregular is imputed by such a course of action.—the matter is merely mentioned to illustrate the position of certain firms which possess the chief business in produce.

The produce-brokers sell their goods by auction in much the same manner as all public sales are conducted. The Commercial Sale-rooms, in Mincing Lane, are the great resort of these gentry, where apartments have been specially fitted up for the sales of tea, sugar, coffee, spices, and the other description of articles coming within the category of "foreign and colonial" produce. These sale-rooms are nicely arranged with seats for the "buyers," a rostrum for the "seller," and a side-desk for his clerk to check prices. At the tea and sugar sales, the attendance is often as many as one hundred and one hundred and fifty persons, all armed with catalogues and pens, making their "bids," as the market or the article suits them.

During the great tea speculation, the sale-room for that article was always crammed to suffocation, not only with brokers and agents, but also with speculators, who exhibited much anxiety to know the tendency of prices, in

order to regulate their transactions in the Lane. On the arrival of news from China, the concourse to be seen in Mincing Lane was immense; prices went "up" and "down," and panics occurred as often as not; there was no end to fluctuation; and in the space of a few months a clique of speculators was formed, who devoted their whole time and attention to the article. Many of these, who were previous to that mere "hangers-on" in the Lane, suddenly improved their condition, took good counting-houses, started suburban villas, and lived in a style which gave the public to infer that they had not been losers by their change of business. On the other hand, there were others who, not knowing the chances of the market, reckoned without their host, and from comfortable affluence in private life were reduced to beggary, and were obliged to seek their fortune where and how they could. The advance in prices, from about 11*d.* per pound to 3*s.* 6*d.* per pound in the course of three years, when the tea-market was kept in a state of fermentation by the posture of affairs in China, and the reaction to the former level, left plenty of room for considerable sums to be made or lost.

On 'Change, in the afternoon, throughout this period, a brisk speculative dealing was kept up, and thousands of pounds passed hands every week on contract notes, made and signed by these parties without a single chest of tea being delivered. The brokers themselves, it is understood, kept pretty well aloof from these operations on their own account, and were content to pocket the large commissions of their customers as their share of the profits afforded by the madness of the times. The error was at last discovered by the speculators when it was too late. They fondly imagined that, so long as our government maintained a war against the Celestial Empire, so long would the sup-

plies of the leaf be restricted; but the sequel showed a different result.

Every season a supply was received, whether by the aid of smuggling or otherwise did not matter, the tea came, and stocks were mostly up to a fair rate of consumption, which decreased quite as much as stocks ever threatened to do, in consequence of the high scale prices attained. It was not before the first two years elapsed that this was plainly perceived, even by parties who had narrowly watched the progress of events in the Eastern hemisphere. When this was observed, and when, by degrees, the certainty of supplies brought conviction that, however much we might offend the Chinese by our hostilities, they were not desirous of sending their product to any other market, —the exorbitant value of tea gradually declined, and with the subsequent conclusion of the treaty, did not more than support its former quotation. The tea trade has, since the year 1842, moved on in a quiet way, with little or no interruption in the shape of extensive fluctuation.

Brokers exercise their calling under a "ticket," granted by the Court of Aldermen, on pain of certain penalties, for which securities are taken. The revenue the Corporation of London derives from the source of brokers' licenses is very large. A broker is restricted, by the terms of his bond, from speculating on his own behalf; but little regard is paid to the supposed injunction, and scarcely an individual ever entered the markets who has not infringed the law in this respect.

The broker can always ease his conscience from being his own "principal," by substituting the name of anybody else he chooses. Some are not even too particular about this, refusing, without it is insisted upon, to give the name of any principal at all. Cases have occurred in which a

broker, when called upon to give up the name of his principal, has been obliged to confess that he had none; and that, in fact, he was, to all intents and purposes, speculating on his own account. Instances are also stated of brokers who, desirous of having everything square and above-board, have not hesitated to pay a man of straw for the use of his name in such transactions, and risked the responsibility of discovery.

Although the Court of Aldermen profess to be exceedingly vigilant in supporting the character and integrity of the brokers of the City of London, we do not know that any of these practices have ever been exposed by fining or refusing tickets to such brokers, and yet we occasionally hear of what the mercantile members of that body propose to do in the matter. We know of a case where a party applied for a ticket to act as a broker, but never took it out or perfected his securities, notwithstanding he carried on business in that capacity, and was, moreover, a heavy defaulter in the Ceylon coffee speculation of 1843. His failure brought out the fact that he was not a broker; and that, though he had acted as one, the principal of his dealing was on his own account. All these malpractices have raised the question, whether persons who wish to be brokers should be restricted to the terms imposed by the Court of Aldermen, or whether it would not be better to allow persons free license to do as they please, without the fear of pains and penalties, that are seldom, if ever, enforced.

The produce-brokers visit the London Commercial Sale-rooms for much the same purposes as the merchants visit Lloyd's, the North and South, and other coffee-houses. Here there is also a comfortable subscription-room, with information of a character to suit the taste of its frequenters,—catalogues, lists of produce about to be sold; days

fixed for sale announced in chalk, on small black boards; and most perfect files of all the mercantile papers published.

The sales take place in upper apartments; the subscription-room is on the ground-floor. There are three entrances to the sale-rooms, and these being situated, two in Mincing Lane, and one in Mark Lane, the offices in the galleries adjoining, parcelled out in little rooms, are of much convenience to those who wish to be on the spot. These offices, though small, bring a good rent, and are not very often untenanted.

The two great days for public sales are, like the Gazette days, Tuesday and Friday. Large quantities of produce of all descriptions are then disposed of; and the sales, beginning at ten or eleven in the morning, do not conclude before three and four o'clock in the afternoon. A number of the brokers have, on their own premises, sale and sample-rooms, which save them the expense of hiring at the London Commercial; and many of these are quite as commodious, though perhaps arranged in a less costly manner. On Mondays, Wednesdays, and Thursdays, the sales are of little importance, and Saturday is principally devoted to the payment of accounts and the settlement of prompts; *i. e.*, the discharge of credit given on goods when first purchased.

Mr. James Cook is the active representative of one of the largest houses engaged in the business of produce-brokers. The firm of which he is a member is that of Trueman and Cook.* They are the largest selling brokers in Mincing Lane. Such is the extent of their operations, that it is said they dispose of produce of the worth of

* Messrs. Trueman and Cook failed in 1847, when the great panic occurred. The partners subsequently separated, and Mr. Cook holds again a very prominent position in the produce-markets.

several millions of money in the course of the year. They are general brokers, and do not, like other firms, confine their attention to one special article; they sell largely of sugar, coffee, spices, indigo, etc., upon which they take the commission, which is their remuneration. Trueman and Cook employ a great number of clerks; and the salaries of the house are said to be liberal.

Mr. Cook is a man of much energy of mind, as well as of experience in business. From the great success of his pursuits, and the good character he bears among his connection, he has obtained a position second to none in his particular department of trade. Mr. Cook is understood to be the "great power" of the House "out of doors," and Mr. Trueman the "great power" of the House "in-doors." The one confines the whole of his attention to the arrangement of operations, the other to the calculations—showing their probable success. Both partners pay much attention to the movements of trade; and the statistics published in their "Overland Circular" are generally regarded as accurate and instructive. Some people lately appear to look upon Mr. Cook as a sort of banking authority: and it must be confessed that the prognostics mentioned in the "Circular," which are said to emanate from that gentleman's pen, have, in one or two instances, proved correct. Mixing among the discount-houses in Lombard Street, Mr. Cook has vast opportunities of picking up a great deal of gossip on money affairs, which he has a happy knack of turning to the best advantage, and with practised handicraft distributes it, through the medium of the "Circular," to his friends and connections at home and abroad.

CHAPTER X.

Influential Hebrew Houses—Sir Isaac Lyon Goldsmid—Bustle and Activity of City Life—The City as a Residence—City People—Their Peculiarities in Dress—The Ticket-porters of the City—City Vagrants—Their Habits and Resorts.

The influential City-houses, represented by Hebrews connected with money and Stock-Exchange affairs, and which, though following in some degree behind Rothschilds', nevertheless rank as firms of note, are the Goldsmids, the Mocattas, the Cohens, the Raphaels, and the Montefiores.

Sir Isaac Lyon Goldsmid, as the leader in the first of these, is enormously rich. Since his elevation to the title of baronet, he does not attend so closely as formerly to City affairs. He has, however, a large vested interest in Portuguese, Brazil, and other foreign stocks. Sir Isaac is upwards of seventy years of age. His stooping walk, his silver hair, and hardly-marked visage show that Time has been at work with him. There is a little of the aristocrat with Sir Isaac in his dress. The royal blue surtout, and the light waistcoat, overhung by a massive gold chain, give the baronet the stamp of rank, which is borne out by the attention he receives at the hands of his less wealthy acquaintances. The Hebrews say that Sir Isaac Goldsmid is not sufficiently liberal to his own sect; they, however, award him the praise of being very munificent to Christians.

The bustle and activity of City life begin at nine and ten o'clock in the morning, and conclude between six and seven o'clock in the evening. Between the former hours

the suburbs and the west have poured in their thousands of human beings, who are engaged in business from Monday morning till Saturday night, in one continued round, and who, in the latter hours, return to their homes to prepare for the morrow's occupation. Before nine in the morning and after seven in the evening the City streets and courts present one vast blank. 'Change, Broad Street, Bartholomew Lane, Lombard Street, Throgmorton Street, and all the great City thoroughfares, are then deserted.

Before and after these hours you see or hear scarcely anything in the shape of business. In the intermediate period, the whole place is alive with the multitude engaged in the operations of the day, and the comers and the goers seem never likely to expend their force, and one would imagine that the great concourse could never disperse. Visit the City at twelve o'clock, mid-day; and again, at seven in the evening, you would wonder where the people had all gone to. Round 'Change you would not find a soul; in Bartholomew Lane, the only cry heard would be that of the bus-conductor for Paddington and Holloway; and in Lombard Street the police would watch you, as though you contemplated a burglary at Glyn's or Barclay's, and perhaps inquire the cause of your loitering in the neighbourhood. At eight o'clock at night the "stillness of death" reigns over the City; and not till the morning, between that hour and nine, is there anything like the note of preparation sounded for business.

The City is not now much chosen for a residence. The old houses in the best thoroughfares are either let as offices, or given up to the occupation of housekeepers in charge of the establishment. At the banks, the rule is for the junior partner to reside on the premises, and a certain number of clerks also live in the house. Mer-

chants and others, who formerly located in the suburbs, have, in a great number of cases, chosen West-end domiciles. Regent's Park, and the rows of villas that stud the neighbourhood of Kensington, Brompton, Hammersmith, and other places tending to those points, are thickly inhabited by City men. Clapton, Hackney, Islington, Peckham, and Clapham were at one time considered very convenient distances by these people. Their taste has, however, even changed in this respect, and these spots have been denuded of a number of their former occupants. Clerks, instead of principals, now reside in these localities, all short rides or walks from the City being filled with the habitations of this class of persons.

Thames Street, Queenhithe, and the thoroughfares to the warehouses at the water-side, some twenty or thirty years ago, were respectably inhabited by parties connected with mercantile life. They are all now left to more humble tenants, and much of the grandeur formerly associated with City recollections has passed away A dwelling in the City is a thing not now considered desirable,—all move either towards the west, or emigrate to the suburbs,—the one for fashion, the other for economy and fresh air.

Among the different grades of City people is found much of the peculiarity of birth and inclination. With a desire to make money and stick to business, little else is thought of; and if amusements are sought, they are principally of a character regulating health and exercise. They are the very sort of persons to encourage hunting and racing.

The "young bloods" of the City are great patrons of the turf. They hunt, and ride, and keep their dogs, and make strict holidays for the "Derby" and the "Ascot Cup," with which no description of business is allowed to interfere. The Stock Exchange and Mincing Lane gen-

tlemen pride themselves upon the knowledge they possess of "betting," and, being speculators by profession, can indulge in an operation of this kind, which comes as natural to them as their every-day concerns. Many of the young stock and produce-brokers display great anxiety to be peculiar in their dress, which occasions a rage every now and then among them for strangely-fashioned hats, deep striped shirts, long-waisted coats, and other articles of clothing, which attract the eye and make a sensation.

Eccentricity of costume shows itself more in the City than in any other part of the metropolis. The sights afforded to the loungers of Regent Street and Bond Street are nothing to those that can be witnessed in Cornhill, Fenchurch Street, or near the Bank.

Who has not seen that very remarkable little gentleman with his hair extensively powdered, wearing a high narrow-crowned hat, grey trousers, and tight-buttoned brown coat; whose great aim, as far as his wardrobe is concerned appears to be to restrict his tailor to the smallest possible quantity of cloth in the manufacture of a suit of clothes? He is a rich man, and money cannot be an object to him; yet he seems to desire to compress his head, body, arms, and legs into the closest imaginable compass, so that "cabbage" shall be the last accusation he can bring against the Knight of the Goose. He cannot be the walking advertisement of the celebrated Moses. That is impossible—his station in society lulls every suspicion of the kind; but why on earth does he dress so skin-tight? Nobody knows, nobody can answer. He is just the very customer in figure that we can fancy the proprietor of the great clothing repository would like to fit for all who entered his establishment.

The comparison also applies to many of our bankers. Two or three of the old subscribers of Lloyd's sport top-

boots and white cords. Low-crowned hats and trousers of strange patterns prevail in the London Commercial Sale-rooms. In Capel Court and Hercules Passage many of the younger branches of firms evince a lively disposition to degenerate into long-stage coachmen, white top-coats, with large pearl buttons, being the wrappers for their five or seven mile outside journeys. Hessian boots are now and then seen on 'Change among the very old people, but one pair in particular have been within the last few months found wanting.

The ticket-porters—the "Trotty Vecks" of the City—are a class of people who now gain very little by their pursuit. Licensed by the Corporation, they have their different stands in the metropolis, and carry and fetch parcels and letters, for which they are rewarded according to the distance of the journey. 'Change Alley, St. Michael's Alley, the old Royal Exchange, Bartholomew Lane, and Broad Street, all possessed stands of porters a few years ago, but now scarcely one is to be seen. They have progressed with the times; they have passed from the state of "job-men" to the more legitimate position of porters or messengers in counting-houses at a fixed salary, and thus the best of them have been rescued from their former half-starved existence. Few counting-houses in the City are now without their messenger or porter. It must be a poor business indeed that will not support a man or a boy for this duty. The "ticket" porter, therefore, now only comes in for the extra pressure—when dispatch is required, and when the "establishment-man" is already engaged.

In Lombard Street, and round the courts and entrances in the neighbourhood of the Stock Exchange, a class of people have sprung into being who, without the ticket of the Corporation—a responsible badge in case of default or

fraud—carry on the profession of message or letter-carriers, and undercutting in price their brethren of the apron, walk away with the best of the business.

The Lombard Street worthies have raised a supplemental connection, by offering their services to guide persons at a loss for the immediate localities of banking-houses to the spot they require, where, before leaving them at the door, they raise the hat and extend the hand for any little gratuity that may be given. They chiefly look out for country people, or strangers in the City, for this part of their living. The regular visitors at banking-houses are never interrupted by their importunities of service. A vacant glance at one or two of the banking-houses would soon bring them to your aid; they at once divine your difficulty, and will interpose their assistance, if acceptable, to your relief.

Persons occasionally called into the City by their vocations must have often noticed the number of beggars lounging about the different avenues leading to most of the places described in these pages. From the early commencement of business down to its close, the demands upon the sympathy of the public come in every shape and form.

City vagrants, from the perseverance they exhibit, must derive a profitable trade; and as few interlopers make their appearance, the surmise is that those who enjoy the monopoly are believed to be so firmly fixed as to defy competition. A sample of the entire race of alms-askers may be seen in some part or other of the City, and all apparently flourish on terms of equality. Luncheon and 'Change time are as well known to the beggars as the merchants themselves. They are as punctual in the neighbourhood of Garraway's, the North and South American, Joe's, and the other luncheon and chop-houses at twelve

o'clock, ready prepared with supplicating look and half-starved appearance to make an appeal for any spare coppers, as they are near 'Change at half-past three. They know their hours and their customers; and calculate upon their returns with as much certainty as their friends the merchants and brokers. If a person once shows any marked liberality, he is a victim for the future—he is known and respected, and ever afterwards followed.

When Sweeting's Rents and Sweeting's Alley were in existence, the crowd of beggars infesting those places was quite notorious. All the principal luncheon-rooms were in that neighbourhood; and, what with itinerant musicians, the importunities of the fruit and flower-girls, and the drivellings of mothers and fathers who "wanted a bit of bread," the "Bumbles" were then most actively employed in clearing the nuisance, and have since succeeded in maintaining a much better order of things.

Some of the City vagrants apply themselves to special walks, and day after day take the same spot for the exercise of their calling. One old gentleman we know, who having lost a leg and an eye (of course "in the service of his country"), parades Birchin Lane and Lombard Street on crutches, and gathers enough for a comfortable crust. We must award him the credit of having been a fine man, and the leg that at present remains showing the attraction of a fine calf, is with all propriety displayed, by the assistance of knee-breeches and a clean blue woollen stocking. There is some jauntiness in this fellow's appearance—the cock of his hat and the glance of his eye not being at all in accordance with the profession he has adopted. Nothing mealy-mouthed or soft escapes his lips; he is a man of few words, and should he fail to receive attention on the first appeal, it is not often that he makes a second. "Please yer honour," and the stump of his crutches, announce his

coming. If you at once refuse, he says no more, but stumps back again. An encouraging look may bring out a "Do, yer honour," but not always. He seems to possess independency of spirit, though a beggar.

Among the other variety of genus, we possess cripples, match-girls, and several poor Jews, the latter of whom, knowing the liberality of our nation almost to equal their own, follow up the trade of alms-asking with considerable success. Old Mr. Rothschild used to bestow pounds and pounds in this manner. They were always on the look-out for him when he left 'Change for his offices in New Court; and St. Swithin's Lane was often lined with begging and suppliant Jews, to meet the great capitalist on his way thither.

One of the most extraordinary cripples honouring the City with her daily presence is a little lady of fair complexion, with red hair, who vends silent lights and other small wares. She evidently does not depend so much upon the sale of her goods as the contributions she receives in the way of charity. Her face is familiar to City people, and her cleanly and neat style of dress speak rather in her favour. A Creole flower-girl, who was missing from her haunts for some months, has lately returned, bearing stock in the shape of an interesting baby of the same complexion and features, and hence there is another addition to the list of dependants.

The "chance" system — that of holding gentlemen's horses, while the owners visited the Bank or other establishments—has within the last few years died away. This was the business followed by the male branches of the vagrant tribe, who had many a hearty scuffle for a prize of this description. "Hold yer 'orse, sir?—Hold yer 'orse, sir?" was a familiar cry a few years ago, but it is now seldom or ever heard. A train of three or four ragged

urchins would run and dodge an equestrian from place to place before they would give up the "chance," notwithstanding the repeated denials their proffered services received.

One man, who was almost privileged to the custom of the Bank, took his stand by the side of the old Sun Fire-office, and here for years he managed to scrape a living. From a condition of poverty, he rose by degrees to a state of comparative affluence, dressing decently, and paying two or three underlings to attend to the increase of his business. He was always provided with a pail of clean water and a bundle of hay for the steeds placed under his care, and eight or nine might be seen at a time in his or his assistants' hands during the busy period of the day. The payment of the dividends at the Bank was a great harvest for him; gigs, chaise-carts, and horses were then in abundance, and the return of profits was commensurate with the increase of services required. The late improved approaches to the Royal Exchange have cleared this part of the neigbourhood; and these, or the facilities of conveyance by omnibuses and cabs, have put an end to this traffic. Nothing of the kind is ever seen now, and what must formerly have proved a source of supply to many of the lower orders has entirely failed them.

The spare, shrivelled woman who sells fruit at the corner of one of the courts in Threadneedle Street is a character in her way. Peaceable and civil when sober, she interferes with no one; infected with liquor, the police stand no chance with her. Right and left fly her asseverations against the public when she has sacrificed at the shrine of the jolly god. "Dan was a fine man, though he turned out a rascal!"—"My poor husband!—God rest his soul!" are the wild ejaculations of the poor creature; and then her miseries come crowding fast and thick upon her. The

history of her life is soon revealed—the whole story comes out—tears trickle down her cheeks, and the wife of a murderer—the notorious Daniel Good—gives the narrative of their marriage and separation.

There are many other characters occasionally to be met with, but they pass from recollection, and are lost in the general multitude. Missed for some time has been the old Irish beggar, who, without legs, travelled on a kind of low wooden carriage, with short crutches, and was the greatest pest foot-passengers could encounter. The old drunken vagabond did not hesitate to insult every one who came near him, and a refusal of alms was always followed by a volley of oaths.

FINIS.

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